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INSIDE TODAY

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U.S. stunned by Beirut disaster

Reagan determined to continue with Lebanon objectives

146 Marines, 30 French killed; search for survivors goes on

By WOLF BLITZER

Jerusalem Post Correspondent

WASHINGTON. — President Ronald Reagan and his senior officials yesterday insisted that the terrorist attack on the Marines in Beirut will not deter the administration from pursuing its objectives in Lebanon.

"I think we all should recognize that these deeds make so evident the bestial nature of those who would assume power, if they could have their way, and drive us out of that area," Reagan said. "But we must be more determined than ever that they cannot take over that vital and strategic area or for that matter any other part of the earth."

Defence Secretary Cusper Weinberger strongly suggested that Iranian troops, and their extremist Shi'ite supporters in Lebanon, were responsible for the attack.

Weinberger said it cannot be assumed that the U.S. will not retaliate. Reminded that Reagan said this country would not stand idly by while the marines were attacked, Weinberger said, "That certainly is true, and that is part of the agenda this morning" in discussions at the White House.

Weinberger said there is no thought of pulling the nearly 1,600 U.S. Marines out of Beirut. Rather, the concern is to reduce their vulnerability, he said.

"The naval forces are a very significant part of both our commitment and our ability to protect the people ashore," Weinberger said, referring to the U.S. fleet in the Mediterranean. "We have very substantial naval forces there now with the availability of a carrier and the battleship New Jersey which is one of the most powerful ships in the world, and with a number of other ships."

Fresh marine troops with morale said to be at a "fever-pitch high" boarded helicopters yesterday and left Camp Lejeune in North Carolina for Lebanon, where they will replace the marines killed and wounded in the bombing.

Shortly after Maj.-Gen. Al Gray ordered the marines to leave the camp, which is the home base for the marines killed in Lebanon, (Continued on Page 2, Col. 4)

Treasury decides at what level to support market

By AVI TEMKIN

Post Economic Reporter

Prices of bank shares are due to be announced today at 9 a.m., based on the public's buying and selling orders, and the degree of government intervention.

Orders for today's trading had in by last night to prevent an escalation of selling during the day which might have led to a collapse of the market.

Finance Minister Yigal Cohen-Orgad, Bank of Israel Governor Moshe Mandelbaum, and their senior aides last night were examining the computer data concerning the public's orders for today's trading. On the basis of the public behaviour, they will decide whether to intervene and, if so, by how much.

The government will buy bank shares to support the market, but nobody knows by how much. Economic observers were predicting that the shares would be allowed to fall by 10 to 15 per cent in shekel terms. If this speculation is correct, this will mean a fall of up to 30 per cent in dollar terms, taking into account the recent devaluation.

Although Treasury and Bank of Israel officials were not prepared to comment on today's expected developments, they did not disguise their satisfaction that a relatively small number of investors had given selling orders at the commercial banks up to last night.

One official described the atmosphere as one of "tense anticipation." Another remarked that it would be "the largest exercise of matching supply and demand that I have ever seen." A third official warned against exaggerated optimism. Although only a relatively small number of investors had placed selling orders, he noted, they might have placed some very large (Continued on Page 2, Col. 1)

Orgad cites faith in banks

By ASHER WALLFISH

Jerusalem Post Reporter

Finance Minister Yigal Cohen-Orgad said yesterday that the government's action in closing the stock exchange and supporting bank shares boosted the confidence of foreign and local depositors, with some \$20 billion in Israeli banks, here as well as abroad.

"They didn't take their dollars out," the new finance minister said in his maiden speech at the cabinet. "We'd proved to them they had every reason to feel confident. We showed them we were right behind the banks and right behind the economy."

One of the principal motives for the government's far-reaching support for the banks was concern for the way foreign depositors would behave, it has been revealed.

Cohen-Orgad said that since the 23 per cent devaluation, Israelis are showing themselves less eager for foreign-currency purchases. Though they still have lots of funds available, he said, they are looking not just to dollars. "Last Thursday alone they bought \$19b. worth of government development bonds," he said.

The minister said that the bank shares in the hands of the public (as opposed to the banks themselves) which had been worth \$5b.-\$4.5b. before the stock exchange closed, were today assessed roughly at \$3b.

3 Shi'ite villagers killed in riot in South Lebanon

By MENAHEM HOROWITZ

Jerusalem Post Reporter

METULLA. — Three Shi'ite residents of South Lebanon were killed and several more were wounded yesterday as Israeli Defence Forces troops shot into the air to disperse an angry crowd in the village of Jib-sit, near Sidon. Two IDF soldiers were slightly wounded in the incident.

An IDF unit entered the village yesterday to search the houses of several residents suspected of hiding weapons and explosives.

An angry mob surrounded one of the houses after the Israeli troops entered and began throwing rocks at the soldiers. A large force of reinforcements was called in to disperse the crowd. They fired several rounds into the air. The crowds continued to throw stones and also set several fires alight. The wounded Shi'ites were taken to a local hospital.

This is the second incident of violence in the past week between the IDF and the Shi'ites. Last week a mob attacked an IDF patrol in Nabatiya during a religious celebration.

Shi'ite leaders in Beirut have recently urged their co-religionists in the South not to cooperate with the IDF and to make every effort to harm Israeli soldiers.

Project Renewal out of cash

By CHARLES HOFFMAN

Jerusalem Post Reporter

The Jewish Agency has recommended that work on \$14.7 million worth of construction projects for its Project Renewal be halted because the Diaspora communities funding the projects have not raised enough cash.

A memorandum sent to the Project Renewal office said that "cash-flow problems" concerning donations for nine renewal neighbourhoods make it necessary to stop work on 14 separate projects. These include day-care centres, youth clubs, sports facilities, community centres and day centres for the elderly.

The neighbourhood hardest hit by this decision is Givat Olga near Hadera, with \$4.1 million worth of projects under construction. Givat Olga's Diaspora twin is Minneapolis-St. Paul.

A background paper prepared for this week's meeting of the Agency's board of governors notes that the gap between Diaspora donations and expenditures in the neighbourhoods has reached over \$32m.

The paper warns that the deficit and cash-flow problems could delay a number of projects and lead to a "credibility crisis."

An agency document states that 13 Diaspora communities have a deficit of over \$1m. each, stemming mainly from a gap that has emerged over the last several years between pledges and expenditures. The (Continued on Page 2, Col. 2)

France, Italy, UK to stay in Beirut

PARIS. — Premier Pierre Mauroy said yesterday that the 2,000-man French military contingent in Beirut would remain despite yesterday's devastating bombing attacks.

Withdrawal of the French troops from the multinational peace-keeping force "is a question that does not arise at the present time," the premier said.

Mauroy told a news conference that both Lebanese President Amin Jemayel and the main opposition leader, Walid Jumblatt, had expressed the desire that the French remain in Beirut.

Defence Minister Charles Hernu arrived in Beirut last night, where he was scheduled to fly by helicopter to French headquarters and then to visit the site of the explosion.

Hernu was accompanied by General Jeannou Lacaze, chief of staff of the French armed forces.

In Athens, French Foreign Minister Claude Cheysson, in Greece for an informal two-day meeting of European Economic Community foreign ministers, called yesterday's bombing "madness."

In London, Foreign Office Minister Richard Luce indicated Britain would make no quick decision about the future of its troops in Lebanon following the "gigantic tragedy."

The main opposition Labour Party, however, demanded that the Conservative government immediately reconsider its participation in the four-nation force in Beirut, where the 97-strong British contingent is the smallest.

In Rome, the government yesterday faced urgent calls for a review of its 2,000 troops in Beirut. But Prime Minister Bettino Craxi reaffirmed his country's commitment.

In Moscow, the Communist Party newspaper Pravda said that when the Marine contingent was first dispatched last fall it was to be there for a limited period to disengage "warring sides" and was to have no combat role.

But, said Pravda, the U.S. troops have been fighting, gunning and rocketing Lebanese towns.

"It appears that the Vietnam story begins to repeat itself," said Pravda. "The U.S.A. is getting drawn deeper and deeper into the fighting in the Lebanese mountains while generals get more and more freedom of action."

UN Secretary-General Javier Perez de Cuellar sent condolences to the presidents of the U.S. and France.

In Cairo yesterday, Canada's External Affairs Minister called the bombing "a senseless act of indiscriminate violence" and expressed sympathy for the U.S., France and Lebanon.

Allan MacEachen, deputy prime minister and secretary of state for external affairs, spoke to reporters after holding talks with President Hosni Mubarak and Foreign Minister Kamal Hassan Ali. (AP, Reuters)

Lebanese unity conference still on

Post Middle East Affairs Reporter and agencies

Plans to hold the proposed Lebanese National reconciliation conference in Geneva moved ahead yesterday despite the massive bomb blasts in Beirut.

A Swiss Foreign Ministry spokesman confirmed in Bern yesterday that the conference will open at the end of this month in a Geneva hotel.

Druse leader Walid Jumblatt, one of the four main opposition leaders invited to attend the conference, indicated yesterday that he expects the conference to go ahead as planned.

"The only way of escaping from this hornets' nest," Jumblatt told reporters in Paris in response to the events in Beirut, "is to find a stable political solution, and I hope that Geneva will provide such a result."

Jumblatt denounced "the two tragic attacks" and denied that his supporters had anything to do with them.

In Kuwait, Saudi Foreign Minister Prince Saud al-Faisal said he hoped "that bloodshed will not obliterate the optimistic picture that emanated from the recent cease-fire and the accord for convening the reconciliation conference."

In Cairo, Egyptian Foreign Minister Kamal Hassan Ali condemned "the ugly terrorist attack," describing it as an "action which is against peace and a solution for the problem in Lebanon... and the Middle East."

In Damascus, the PLO denied involvement, but an official spokesman said: "What has happened is not a surprise because he who comes into the bear's den must expect to get bitten."

While underlining that "the PLO has nothing to do with the explosions," he said: "We hope the Marines and other multinational troops will leave at once and peacefully."

Mahmoud Labbadi, spokesman for Syrian-backed hardline rebels in

Reconstruction of the bombings

Bloody dawn on a sleepy Sunday

By SCHEHEREZADE FARAMARZI

Associated Press Writer

BEIRUT (AP). — Most of the 1,600 U.S. Marines stationed at Beirut's International Airport were sleeping in yesterday morning, a slow day for the American peace-keepers. A few sentries stood guard duty, and at 6:20 a.m. the unit's cooks were just beginning to get up.

The sentry at the back gate of the compound noticed a large red truck pull into the airport parking lot, just outside the barbed wire, chainlink fence and barricades surrounding the marine area. He picked up his field telephone to the command centre to report it, when it suddenly accelerated, sped across the lot and smashed into the gate.

Crashing through two barricades and around a third, the truck hit the sandbagged entrance of a four-storey building where an estimated 200 marines were sleeping. As it came to halt in the lobby, the driver detonated an estimated 1,000 kilos of explosives in the back. The blast destroyed the building, hurling concrete and glass more than 100 metres. Doors and windows of nearby buildings were smashed, wounding more marines.

As the cries from men wounded and trapped in the wreckage began, a second massive explosion went off two kilometres away. Another suicide terrorist had repeated the attack on a 110-man unit of French soldiers.

This time, there were fewer barriers and no fence. Driving his explosive-laden truck into an underground garage, the attacker detonated a charge large enough to reduce the entire building to rubble.

It could not be determined whether either the marine

sentry at the airport or the French soldiers guarding their company headquarters had fired at their attackers. There were few witnesses to either early morning attack.

Maj. Robert Jordan, of Shenandoah, Georgia, was sleeping at about 400 metres from the marine building when the first blast occurred.

"The door next to my rack (bed) blew off, (and) a rack that I have some of my belongings on fell down across the rabbi that was sleeping next to me, and glass imploded all over the area. All the doors were blown off their hinges."

As Jordan ran to the destroyed building, he saw marines staggering from the rubble, trying to help each other. Bodies could be seen in the wreckage.

Lebanese soldiers, civilian rescue workers, and British and Italian soldiers quickly arrived to help. The rescue workers included a number of men from the Shi'ite Amal militia from nearby neighbourhoods where gunmen had fired at and launched shelling attacks on the marines in recent weeks.

By late afternoon, grim-faced marines were still pulling out bodies and a few wounded survivors from the wreckage.

Sleeping bags, uniforms and personal belongings littered the ground along with rubble and glass shards. The wreckage of a jeep could be seen under the rubble. Other vehicles parked near by had been smashed. Bulldozers and cranes shifted the mess carefully.

"I cried, I cursed," said Staff Sgt. Alfonso Hernandez, 29, of Oceanside, California, trying to control tears and shaking voice.

(Eyewitness accounts from Beirut, Page 3)

Terror attack seen as turning-point for U.S.

By DAVID LANDAU

Post Diplomatic Correspondent

Israel voiced shock and horror yesterday over the Beirut bomb blasts, as well as expressions of quiet admiration and relief at America's determination to stay put in Lebanon.

But there was also a pervasive feeling among many analysts that the blasts would mark a turning-point and that the situation in Beirut would not return to what it had been. The Reagan Administration, it was widely felt here, would act to reassert its prestige. There were differing assessments, however, of the nature of the American action.

A short-term effect of the disaster on Israeli policy-making could be on the Awa River line, where there has been pressure on the government for some time to seal off the bridges to traffic. Military and civilian officials who argue that the security risk of free traffic is too great will be powerfully supported by yesterday's bombings when the issue comes before the cabinet for decision shortly.

Israel's horror was expressed in a cabinet statement at midday which blamed the outrages on "forces that are interested in preventing a peaceful solution in Lebanon."

In a condolence message to President Reagan, Prime Minister Yitzhak Shamir wrote that "the unique role of the U.S. as leader of the free world, and the steadfastness of

its forces in defence of freedom of liberty... (are) once again being tested by those who are determined to undermine stability and peace."

A senior official added that "the Americans seem determined not to cave in. From our standpoint — that is very positive."

At the same time, though, there was concern in some quarters here over a possible backlash against Israel building up within American public opinion. Said former premier Yitzhak Rabin: "Our problem is not with the administration; it is with the people."

The fear was that U.S. opinion would blame Israel for having dragged America into the Lebanon imbroglio in the first place.

To ward off such putative attacks, cabinet sources noted pointedly after yesterday's session that "Israel has no (formal) position regarding the marines remaining in Lebanon. It was not Israel who asked them to come in, and they are not there to protect Israeli interests."

The sources sought in this way to steer clear of any impression that Israel was now urging the Americans to stay in Lebanon.

In fact, of course, as top officials readily admitted in private, the departure of the U.S. Marines would be a mortal blow to Israel's entire Lebanon policy as constructed under Begin and Sharon and scaled down under Shamir and Arens.

(Continued on Page 2, Col. 6)

U.S. Marines cover the bodies of dead comrades after the bombing yesterday at Beirut Airport.

U.S. Marines cover the bodies of dead comrades after the bombing yesterday at Beirut Airport. (UPI telephoto).

NEWS BACKGROUND

Likud expects losses in local poll tomorrow

By SARAH HONIG

Post Political Reporter

TEL AVIV. — The Likud is expecting considerable losses in tomorrow's municipal elections, while the Alignment is looking forward to gains, which it hopes will indicate a significant change in voting patterns in national politics as well.

The mood at Likud headquarters yesterday was far from optimistic with the general aim being to cut predicted losses. In Labour headquarters, spirits were buoyed by the expectation that the recent economic upheavals would result in a protest vote against the Likud, whose loss would be Labour's gain.

Labour candidates therefore have been striving hard for the past fortnight to link local politics and issues to the state of the national economy. Likud politicians, on the other hand, were hard at work arguing that local affairs and the Treasury's policy are separate and distinct questions.

The Labour line in recent days has been that any attempt to draw a line between local and national affairs is artificial. (See related story, page 2.) Some in the Alignment charged yesterday that the Likud is actively using its governmental powers to influence the vote. They allege that to prevent mass defections from the Likud by the many thousands of holders of bank shares, for example, the Treasury intends to shore up their value and prevent a collapse in their prices when the stock market re-opens for full trading this morning.

One Labour mayoral candidate told The Jerusalem Post that this is a deliberate pre-election move to buy votes. This is hotly denied on the Likud side, where it is argued that "Labour must be afraid that it would fail in its tactics of getting residents to vote against a local council candidate because of the policies of the former finance

minister. It would surely be in Labour's favour if holders of bank shares got an even worse beating."

According to Likud spokesmen, it is not even clear yet whether the government will have to step in at all when trading in bank shares resumes.

But even if the worst of the bank shares upheaval and the trauma of devaluation and the subsidies cuts is over, the Likud still expects to suffer from the public's resentment. Likud politicians do not expect this to affect the candidates for mayoral office, at least not the very popular ones.

(Continued on Page 2, Col. 2)

BRONFMAN INTERNATIONAL PRESS & BOOKS

The Economist

THE WORLD EVERY WEEK

October 22, 1983

★ GULF WAR

★ ISRAEL'S ECONOMY TODAY

EVERY SUNDAY

The weather at major Swissair destinations

23.10.1983	MIN.	MAX.	C	F	W
AMSTERDAM	6	12	54	54	Clear
BRUSSELS	2	11	52	52	Clear
BRUSSELS AIRS	1	12	54	54	Bala
CHICAGO	9	18	64	64	Bala
COPENHAGEN	9	18	64	64	Clear
FRANKFURT	1	12	54	54	Clear
GENEVA	5	11	52	52	Clear
HELSINKI	2	11	52	52	Clear
HONG KONG	26	27	79	81	Cloudy
JOHANNESBURG	11	22	72	72	Cloudy
LONDON	12	22	72	72	Cloudy
LONDON	8	15	59	59	Clear
MAIRID	8	15	59	59	Clear
MONTREAL	3	12	54	54	Clear
NEW YORK	4	12	54	54	Clear
OSLO	4	12	54	54	Clear
PARIS	3	12	54	54	Clear
RIO DE JANEIRO	23	27	73	81	Cloudy
SAO PAULO	18	24	64	75	Bala
STOCKHOLM	5	11	52	52	Cloudy
TOKYO	15	18	64	64	Cloudy
TORONTO	6	10	50	50	Clear
VIRGINIA	5	11	52	52	Clear
ZURICH	6	11	52	52	Clear

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THE WEATHER

Forecast: Partly cloudy to fair.

	Yesterday's Humidity	Yesterday's Min-Max	Today's Max
Jerusalem	51	11-22	22
Golan	48	14-22	22
Nahariya	55	15-27	27
Safed	53	12-21	21
Haifa Port	57	17-26	26
Tiberias	53	16-26	26
Nazareth	59	16-24	24
Afula	50	11-26	27
Shomron	51	16-23	24
Tel Aviv	59	18-25	26
B-G Airport	55	16-26	27
Jericho	43	16-29	29
Gaza	30	17-25	26
Beersheba	46	18-26	27
Eilat	24	18-31	31

TREASURY

(Continued from Page 1)
orders. "No one knows how large those orders are," he said.

Still unclear is what will happen on subsequent days. The Treasury and the central bank are expected to be prepared to buy bank shares to prop up the market for some time. There is a perception that if the government stops this support, it might lead to a renewed wave of selling.

It is generally believed that Government support will be forthcoming until the market stabilizes — probably at a level some 15 per cent down, in dollar terms, compared to the level before the recent crisis began.

Joseph Morgenstern adds: A massive three-pronged public-relations effort aimed at preventing indiscriminate selling of bank shares appears to have had a positive influence on the actions of the public.

Over the weekend the new finance minister's attempt at restoring confidence was reinforced by encouraging statements from present and former government officials. Tel Aviv Stock Exchange officials for their part stressed the necessity for placing "price limits" on the sell orders.

The banks issued special bulletins, covering information regarding the various options open to the investor. The banks, just in case the selling pressures became excessive, remained open until 7 p.m. yesterday. A cursory visit to the securities departments of some Tel Aviv banks yesterday morning indicated that there were few clients present and orders were coming in slowly.

By late afternoon the general consensus was that the quantity of selling orders was short of expectations.

"The number of orders received by us has been a pleasant surprise. We expected many more orders than actually received and the price limits are quite reasonable," reported one securities advisor at the central branch of one of the banks included in the bank-share agreement.

According to a cross section of reports it would appear that the limits were about 15 per cent below levels of October 6.

At these prices the bank shares are a good investment in relation to other dollar-linked investments, explained a securities analyst. The implication of a drop in value of 15 per cent below October 6 prices is that the bank shares (if held for five years), will have a real dollar yield of 9.3 per cent, per annum. Since this is more than competitive with yields available from the Gilboa indexed bonds and from foreign currency deposits, it is generally considered as an economic intervention point.

HOME NEWS

2.6m. eligible to vote in tomorrow's elections

By AARON SITTNER
Jerusalem Post Reporter
About 2.6 million Israelis and temporary and permanent residents are eligible to vote in tomorrow's municipal elections.

In an interview with *The Jerusalem Post* last night, Elections Commissioner Meir Shaham said: "We cannot forecast what the voter turnout will be. We hope the weather will be pleasant and people will exercise their democratic right to vote."

"In the U.S., local elections bring out 45 to 48 per cent of the voters, and in Europe, 51 to 52 per cent. Last time we had a turnout of about 56 per cent. It is anyone's guess whether the economic crisis will increase voter interest, or reduce it," Shaham emphasized that every voter should come to his polling

place with his identity card and make sure that his photograph appears in it. It is also advisable, though not necessary, to bring along the voter's notification card mailed by the Ministry of Interior. This lists the voter's ballotting place and his name as it appears in the Voters Register. All population registry offices will be open today from 8 a.m. till 6 p.m. to issue ID cards to people who have lost theirs.

Tomorrow's elections will be held in 147 cities, towns and local councils throughout the country. There will be no elections in Israel's 50 regional councils, which are the government centres of groups of kibbutzim, moshavim and villages in a given geographical location, and in 15 local councils or towns where a state-appointed rather than elected governing committee is functioning, or where the incum-

bent council has not been in office for the past five years.

A total of 946 council lists are vying for top position in the 147 local authorities, with an average of four mayoral candidates in each city.

If a mayoral candidate does not receive at least 40 per cent of the vote in tomorrow's elections, the two candidates who mustered the largest vote will have another election round 14 days later.

The 3,800 polling places (and an undisclosed number of military voting stations) will be open from 7 a.m. until 10 p.m. After closing, the five-man committee at each location will begin the tally — both of the yellow mayoral ballots, and the white council-list ballots.

The results of the tally will then be entered in an official protocol, and this will be forwarded to the

respective city's, town's or local authority's central elections committee.

Commissioner Shaham and his staff will spend the night at national elections headquarters in Jerusalem's Binyanei Ha'uma, where dozens of officials will process the results forwarded by the central elections committees. Because of the time required to tabulate the army vote, no final figures can be expected before Wednesday morning. The official count should be ready around mid-afternoon Wednesday, according to Shaham.

The Police announced yesterday that besides ensuring security at voting places tomorrow, officers will enforce the law that prohibits posting of propaganda anywhere except on specified public notice boards.

National politicians beat municipal campaign drums

National politicians have been turning out in force in the last days of the local election campaign in a last-minute effort to boost their municipal party figures in tomorrow's vote.

In Jerusalem, Finance Minister Yigal Cohen-Orad warned Likud activists last night that "temporary measures must be taken to lower the standard of living."

In a brief speech to about 300 Likud municipal election campaign workers, the finance minister said that he envisions an economic version of Project Renewal, with the country mobilized to "put the economy back on the right track."

When introduced by Yehoshua Matza, the No. 2 man on the Likud list in the city-hall campaign, Cohen-Orad was compared to former finance minister Yoram Aridor, "who when the chips were down for the Likud two years ago came in and brought us victory. The chips are down now for the Likud, and Yigal will do the same."

Cohen-Orad emphasized that Shlomo Toussia-Cohen, the Likud's candidate against Mayor Teddy Kollek, would get full cooperation from the Likud government, and

predicted that Toussia-Cohen would beat Kollek in the race.

LOCAL ELECTIONS

Levy on attack
At an election meeting in Haifa in support of Yael Rom's bid for the mayoralty against the official Herut candidate, Deputy Prime Minister David Levy lambasted the Labour Party for introducing the government's economic policy into municipal elections.

But since it had done so, Levy denounced Labour's own economics, when it was the government as a parcel of "favouritism" which had made ordinary people dependent on the party for jobs, housing and their very livelihood. He contrasted this with what he termed the success of the Likud's policy of equality and the welfare of all by right and not by the ruling party's grace.

Defence Minister Moshe Arens, who was also scheduled to speak at the meeting sent his apologies for

being forced by a very bad cold to stay away.

Charges made
Shop owners in Tel Aviv who hung Alignment mayoral candidate Dov Ben-Meir portrait on their shop windows were issued court summons by municipal inspectors, Ben-Meir said yesterday at a press conference summing up the municipal election campaign.

Ben-Meir charged the Likud and its candidate, Mayor Shlomo Lahat, with abusing the city's authority and budget for election propaganda purposes.

Three other candidates for Tel Aviv mayor — MK Mordechai Virshubski (Shinui), Yitzhak Artzi (Independent Liberals) and Abie Nathan — appealed, together with Ben-Meir, to Supreme Court Judge Meir Shamgar, chairman of the national elections committee, to stop Likud violations of election regulations.

Gur: Local elections and national issues inseparable

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — The local elections are inseparable from national issues and their results will reflect attitudes on social and economic norms, MK Mordechai Gur, the Labour Party's municipal elections campaign chairman, said yesterday.

Gur blasted government ministers for exploiting their position to help Likud candidates in the municipal election campaign. He noted that Tourism Minister Avraham Sharir was quoted in the press as threatening Ashdod, Beit She'an and other towns that if the local Likud candidate is not elected mayor, those towns will cease being tourism attractions.

The wild election campaign in Herzliya reflects the distortion of norms, Gur said. He said that Likud

candidate for Herzliya mayor, Eli Landau, called him at 4:10 a.m. demanding to "discuss" the elections, and later warned that certain central figures in the Kibbutz Movement and Labour Party "might be sensitive targets."

The Labour Party leadership yesterday took the unusual step of issuing a joint appeal to Herzliya's residents terming the mayoral contest between the incumbent Yosef Nevo and his Likud challenger, former Ariel Sharon aide Eli Landau, a national issue. Shimon Peres, Yitzhak Rabin, Haim Bar-Lev and Gur joined forces to support Nevo. They stressed that the elections in Herzliya represent a struggle between two totally different types and cultures of a public career, and singled out Nevo as a devoted servant of the public.

PROJECT RENEWAL

(Continued from Page 1)
leaders in deficits are Akron and Toledo, Ohio (\$2m.), Rhode Island (\$1.4m.), San Francisco and Richmond, Virginia (\$1.4m.), Buffalo and Rochester (\$2.1m.), Atlanta (\$1.7m.) and the Brazilian Jewish community (\$1.3m.).

The background paper estimates the total agency outlay on Project Renewal through the end of the decade at \$390m. The estimate in a

paper presented to the Agency Assembly last summer was \$450m., which itself was considerably lower than the estimate of \$600m. made at the start of the project six years ago.

Renewal neighbourhoods where construction projects may be stopped are Safad, Ma'alot, Nazareth, Kiryat Ata, Givat Olga, Holon (Jesse Cohen), Rishon LeZion (Ramat Eliyahu), Netanya (Dora), and Kadima.

THE LOCAL VOTE

(Continued from Page 1)
"Where powerful, charismatic personalities are involved, party politics anyway mean very little," it is argued. Thus it is expected that many Likud supporters in Jerusalem will cast their ballots for Labour's Teddy Kollek, while many Tel Aviv Labourites will vote for the Likud's Shlomo Lahat.

The problem may arise with the lists for the municipal councils, which are voted on separately, on a party basis. Public displeasure with the Likud and protest votes in Labour's favour may be evident in the votes on these lists, causing even greater than average degree of vote splitting in the council elections.

The Likud, which expects losses particularly in the council votes, feels that this might well be a political safety valve through which

Shamir won't intervene to cancel day off for vote

By SARAH HONIG
Post Political Reporter

TEL AVIV. — Prime Minister Yitzhak Shamir has decreed an official government hands-off policy on the question of whether tomorrow, local elections day, should be a holiday. Interior Minister Yosef Burg, however, has already made it clear the public will have a day off.

Shamir told the cabinet session yesterday that there will be no government intervention in the matter one way or another. He argues that this is a question for the Knesset to take up and not an issue for government policy.

The Labour Party yesterday was charging that many billions of shekels would be lost because of the work stoppage on election day. The Likud retorted that the Histadrut should have thought of lost work hours when it launched its strike last week.

The Knesset will have no time to deal with the matter. It has only this afternoon to consider the issue but it is not likely that any changes could be made in time, even if a majority could be mustered. Mapam MK Imri Ron has already proposed an urgent motion; seeking to make local election day an ordinary working day.

This is hotly opposed by Burg, whose ministry is in charge of the technical arrangements for the elections. Burg declared yesterday that "any changes at this juncture are out of the question. It is impossible to hold the elections this week if election day will not be a holiday. Anyone who wants to change things does not really want to hold the elections on time. A call for abolishing the holiday is a call for postponing the elections," he said.

REAGAN DETERMINED

(Continued from Page 1)
troops could be seen climbing aboard large Huey helicopters and leaving the airfield in shifts, beginning at 3 p.m.

The dead and injured marines belong to a unit that had been in Lebanon since June, and was due to be sent back to the U.S. in mid-November.

Administration officials, including Weinberger, were very cautious in avoiding any direct blame on Syria or the Soviet Union — although they clearly did not rule out such involvement.

The incident, which rocked the U.S. capital, and led to day-long National Security Council meetings in the situation room at the White House, represented the worst single death-toll for U.S. soldiers since the Vietnam War.

It immediately revived heated debate here over the presence of the marines as part of a multinational peace-keeping force in Lebanon. There were several calls from Capitol Hill urging the Reagan Administration to remove the troops.

But Reagan was clearly determined to resist such advice, which officials said would merely reward the terrorists for their assault. In addition, they said, it would advertise U.S. weakness.

Former secretary of state Henry Kissinger, appearing on ABC's *This Week* interview programme, recommended that the U.S. take the initiative in responding militarily by changing the basic balance of forces in the region, which lately has favoured the Syrians. First of all, he proposed that the U.S. coordinate military strategy with Israel in the face of this latest emboldened Syrian stance.

Reagan and Secretary of State George Shultz cut short their golfing weekend in Georgia to rush back to the White House.

Shultz postponed his four-day trip to El Salvador and Brazil, which was scheduled to begin on Monday.

U.S. officials briefly considered an Israeli offer that wounded marines be evacuated to Haifa's Rambam Hospital and other medical centres in Israel for emergency treatment. But in the end they decided that such overt military cooperation with Israel — even out of strictly humanitarian purposes — could prove politically counterproductive in the Arab world.

Leon Hadar adds: Journalists and congressional leaders predicted today that the killing of the marines in Beirut will lead to a growing public support for the withdrawal of American troops from Lebanon.

Most of the congressional leaders who were interviewed on television called for the pull-out of the American forces in Beirut and indicated that their constituencies at home will not tolerate further American involvement in Lebanon.



A French paratrooper holds the hand of one of his buddies who is still stuck in the debris of a building blown up yesterday in Beirut. (UPI telephoto)

MARINES

(Continued from Page 1)
sing all four floors," he said.

He said the truck had been spotted in an adjacent parking lot by a marine guard who reported it. But then the truck picked up speed, crashed through an iron gate and drove over a sand-bagged guard post and into the lobby of the atrium-style building, Jordan said.

Cann said a truck also was used in the bomb attack on the French contingent in the Ramel el-Baida section of Beirut. French soldiers on the scene said, though, that it might have been a car.

When asked who was responsible, he said: "We have evidence of who did it." He did not elaborate.

U.S. officers would not talk about who had made the attack on the marines' camp.

No known group claimed responsibility for the attacks, which bore a strong resemblance to the U.S. Embassy bombing in Beirut on April 18, which U.S. officials blamed at the time on pro-Iranian

Lebanese extremists. The embassy bombing took the lives of 17 Americans and 32 Lebanese people, according to official U.S. counts.

At least eight American and French navy ships pulled close to shore off Beirut after the twin explosions.

Wounded marines were flown yesterday to NATO hospitals in Europe.

A total of 21 wounded marines were flown to the British air base of Akrotiri. They were evacuated from Beirut aboard a British Royal Air Force C-130 Hercules transport plane that flew hurriedly to the Lebanese capital with a British forces medical team to assist in the treatment of casualties, and then returned to its base.

Akrotiri, on the south coast of Cyprus, is about 250 kilometres west of Beirut.

A U.S. Air Force C-9 ambulance aircraft flew two dozen wounded marines to the Rhine-Main airbase in the evening. (AP, Reuters)

TURNING-POINT

(Continued from Page 1)
Rabin, speaking bitterly, yesterday condemned that policy as a "fiasco" and said the tragedy that had befallen the Americans and the French accentuated the character of the Israeli fiasco. He warned Washington that its hope of installing a stable government over all of Lebanon was an "unattainable" as Israel's own original aims had been.

Regarding the scenario now, former top diplomat Gideon Rafael asserted that Washington was confronted with a major choice and a major challenge by the Soviets and their proxies. "For the Americans it is either out or in," Rafael said. "There can be no continuing the previous situation."

One possibility would be for President Amin Jemayel formally to demand the withdrawal of all uninvited foreign forces (Syrian, PLO and Israeli) — and to ask Lebanon's allies (the U.S. and the other western powers) to help him achieve that goal. The Americans would then have to be prepared to face down the Syrians — physically if necessary.

The alternative, according to Rafael, would be an American pull-out after a decent interval of time has elapsed.

He predicted a two-track approach by Washington: a tough stand in Lebanon, coupled with a diplomatic overture towards the Soviets. This was inevitable because the blast had raised the U.S. involvement in Lebanon to a big power confrontation issue.

Rafael feared there might be voices in Washington, and even in Jerusalem, who would advocate using Israel as America's proxy to punish the Syrians. "I cannot imagine," he said, "that anyone in a responsible position here would present Israel as a sword for hire."

Several high government officials firmly discounted the Israel-as-

proxy notion. One of them reasoned that the U.S. itself would not want to sully its position in the Arab world by enlisting Israel against an Arab country.

Another scenario of American response advanced by observers here is that Reagan will boost the marines presence in Beirut and order them to extend their area of control — in order to demonstrate to the perpetrators of yesterday's outrage and to the powers behind them Washington's determination not to be ousted by force or terror.

This scenario envisages sort-of naval bombardment of Syrian and Syrian-surrogate positions by the U.S. fleet offshore, while the marines push forward on land.

But the American operation envisaged in this scenario would not risk all-out confrontation with the Syrians (for which the U.S., at the present moment, lacks sufficient forces and firepower in the region).

There were differing theories, too, about those responsible for the blasts yesterday.

One well-placed source speculated, "without any concrete proof," that the Soviet KGB masterminded the attacks with the aim of inflicting politically unsustainable casualties on the multinational units and thereby driving them out of Lebanon.

According to this theory, the Soviets used Iranian and/or local Shi'ite "Kamikaze" fighters to carry out the attacks. In the Shi'ite faith, an act of supreme sacrifice for a noble cause, guarantees a place in paradise.

Dr. Yosef Oltmer, the Shiloah Institute Lebanon expert, also tended to single out Shi'ite fanatics as the likely perpetrators. He referred to a group led by one Hussein Mussaw, and added that they would almost certainly have been controlled by Syrian Military Intelligence.

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A devoted agent
A good friend
Our sympathies to Gila and the family.

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Management and Staff
Ludwigshafen, W. Germany

Mourn the death of our uncle and brother-in-law
SENDER PILOWSKY

In deep sorrow we announce the passing of our beloved
ILSE KOCHANOWSKI
after a short illness on October 21, 1983.
The funeral will take place today, October 24, 1983 at 3.15 p.m. at the Zur Shalom cemetery. A bus will leave from Hagdud Ha'vri St. Kiryat Motzkin at 3 p.m.
Son: Gabriel Kochanowski
Morris Nackson
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HU law dean blasts leaders for whitewashing Abuhatzzeira

Jerusalem Post Reporter
The dean of the Hebrew University's law faculty yesterday delivered a blistering attack on the country's political leadership over their attitude to the Abuhatzzeira affair. Without mentioning the convicted former cabinet minister by name, Prof. Joshua Weisman demanded to know how a leader of a party can be convicted of a crime without this affecting his status.

Weisman's remarks came in a written message to his students at the start of the academic year. He writes that, as head of the country's senior law faculty, he cannot remain silent about the "danger of anarchy" in a situation where a lawbreaker can remain a lawbreaker.

Weisman says that his criticism is not leveled against the leader's own party, which "might be expected to show a degree of loyalty" towards him. According to the dean, it is the



Prof. Joshua Weisman

other parties which must fulfil their responsibilities in the matter. Weisman warns that "anarchy is at the gates," and asks if there are no political leaders of conscience rather than men of expediency. Weisman maintains that during

the past year, the status of the law has sunk to an all-time low. The difference between the legal establishment's concept of honesty and that of the political echelon, he says, has never been so wide. This gap, suggests Weisman, endangers the structure of society.

"When the Supreme Court rules that a party leader convicted of theft and a breach of public trust was trying to throw sand in the eyes of the public by claiming he was merely guilty of an administrative oversight, and when that same court finds him guilty of these offences, and it does not affect either his status as a party leader, or his position among the various party leaders negotiating the formation of a new government — then the courts are either manned by unworthy judges, or the political leaders should ask themselves if they are acting in a worthy manner," writes the dean.



Four persons were injured yesterday in Jerusalem's Rehov Golomb in a head-on collision between an Alfa Romeo (above) and a Fiat.

(Yitzhak Elharari)

Medax '83 to showcase 'fastest-growing exports'

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — The "lifesaving interplay" between medical instrumentation and the physician's healing art will be stressed again at the Third Israel Medical Week, also called Medax '83, which opens at Binayon Ha'uma in Jerusalem on October 31.

"Not only do medical instruments save many lives, but they also provide a livelihood for an ever growing number of Israelis," Rami Gutt, the head of the Export Institute, said at a press conference.

Medax '83, which has been put together by the Sier Group, a professional conference company, is sponsored by the Israel Medical Association and more than 100 Israeli medical supply firms. It will be opened by Health Minister Eliezer Shostak.

"Israel's medical exports have

climbed by 650 per cent since 1978, making it our fastest-growing export field," Gutt said. Exports of medical instruments reached \$135 million in 1982, with another \$13m. in drugs, medications and other supplies exported.

About 24,000 people are expected to attend Medax '83, including about 7,000 physicians and 150 foreign buyers. About 1,000 scientific lectures are scheduled, with 42 Israeli medical societies holding their annual conferences during the week, IMA deputy chairman Dr. Shimon Erdman said.

Prof. Shlomo Stern, head of the IMA's Scientific Council, noted that every precaution was being taken to ensure that every patient would receive adequate medical care during the week. To this end, the visiting hours of the specialists will be staggered.

New women's-status adviser to begin work next month

Jerusalem Post Reporter

Attorney Ethis Simha will take up her post as adviser on the status of women to the prime minister on November 1, and will work under the auspices of Minister without Portfolio Sara Doron, the cabinet decided at its weekly meeting yesterday.

Simha's predecessor, Nitza Shapiro-Libai, worked under the auspices of former deputy premier Yigael Yadin during the first Begin government.

Prime Minister Yitzhak Shamir

said yesterday that he will shortly name a new public council on the status of women. Doron will also be responsible for running the public council.

Doron said that she is eager to ensure close cooperation with the chief IDF Women's Corps officer, and the heads of the countrywide women's voluntary organizations.

She said she is planning an international conference in Israel on the status of women in collaboration with Tel Aviv University within a few months.

Beduin from north volunteer for IDF

By YOEL DAR
Special to the Jerusalem Post

NAZARETH. — A large number of young Beduin from the northern part of the country have recently applied to the Defence Ministry for permission to enlist in the Israel Defence Forces. Among the volunteers are several who have just graduated from high school.

Hussein El-Helb, the principal of the elementary school at Tuba, near Rosh Pina, said that "if we seek full rights, we have the obligation to serve in the army." He himself served three years during the 1960s.

The enlistment of Beduin started during the War of Independence when dozens volunteered to serve under the command of the late Yigal Allon.

Meanwhile, young Beduin spokesman Majed Fallah urged the Defence Ministry to assist Beduin ex-soldiers, especially those who want to study in universities.

Defence Minister Moshe Arens promised last week to deal with the matter soon, during a visit to Bir El-Maksour, a new Beduin village in the north.

Beduin village gets modular health clinic

Jerusalem Post Reporter

BEERSHEBA. — The Beduin village of Lagiya, 15 kilometres northeast of here, has received a new type of Kupat Holim clinic. The prefabricated, modular, concrete cube, will serve some 6,000 Beduin in the area.

The Lagiya Beduin formerly had to go to Beersheba for medical treatment.

The following is a translation of the contents of a telegram sent on October 18, 1983. When we receive his reply we obligate ourselves, with his agreement, to assure the publication thereof.

DR. JOSEPH BURG
MINISTER OF INTERIOR, POLICE AND RELIGION
JERUSALEM

SHOCKED AND APPREHENSIVE AT YOUR PERPLEXING SILENCE REGARDING VICIOUS ATTACK ON SHABBAT ON OUR MAYOR TEDDY KOLLEK BY ULTRA-ORTHODOX LAWLESS GANG DEVOID OF HUMAN DECENCY STOP A PUBLIC FIGURE WHO SERVED NATION HONORABLY FROM ESTABLISHMENT OF STATE IS OBLIGATED TO TAKE UNEQUIVOCAL STAND ON HOOLIGANISM UNDER GUISE OF RELIGION

M. LEVIN SPOKESPERSON
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Bond yields display adjustments

By JOSEPH MORGENSTERN
Post Finance Reporter

TEL AVIV. — Yesterday marked the second session in bond trading at the Tel Aviv Stock Exchange since October 6 and it offered the opportunity for the adjustments of yields in the various categories of bond trading.

Last Thursday there was a massive demand for bonds and the trading turnover reached a record all-time high of \$1.39 billion. At that point short term index-linked

bonds jumped ahead by margins of 9 to 22 per cent.

There was some price trimming yesterday in this particular group. The 3 per cent Gall bonds, on the other hand, traded moderately higher in the order of 1 to 1.5 per cent. Seven per cent index-linked bonds reflected gains of about 1 per cent, in some groups, while others were mainly unchanged.

The Hollis dollar-denominated bonds were mostly mixed though scattered gains were as high as 2 per

cent. The Gilboa dollar-linked bonds were moderately higher.

Announcements received by the exchange:

The North American Bank Ltd. announced that its board of directors had decided not to participate in the agreement reached with the government on bank shares.

Bank Leumi, Israel Discount Bank, Bank Hapoalim, United Mizrahi and Union Bank formally advised the exchange that they are ending their policy of regulating their own shares.

Survivor calls it 'insane country'

BEIRUT. — "What exists. What an insane country," yelled a young French soldier as he stood yesterday on the rubble of what had been a company headquarters building for the French peace-keeping unit in Lebanon. The soldier, his arms and fatigues covered with blood, was helping to search through the debris for scores of French soldiers trapped when the nine-storey concrete structure collapsed after the massive explosion.

Another soldier, after watching a while from nearby, his face in his hands and ran behind a waiting ambulance and wept.

Two cranes, five bulldozers and dozens of Lebanese rescue workers assisted the French troops searching through broken concrete and dust for survivors.

The building had housed about 100 paratroopers.

General Francois Cann, commander of the 2,000-man French contingent in Beirut, said that some members of a Lebanese family that had been living in the building also were believed trapped beneath the debris. He said the explosion occurred just after the father had left the apartment to buy bread for the family. His wife and two children had stayed behind.

An American sailor described from his hospital bed yesterday how he limped to safety after the other bomb reduced the U.S. Marines base in Beirut to rubble. "I was sleeping then suddenly I saw fire and stuff coming down all around me. I screamed, 'Help me,' but

all I could see was a bunch of people hanging around. "I don't know what time it was — I remember sitting in a corner and I saw like a hole with light coming through. So I took my blanket and tied it round my leg and started walking to try to get out. It was just like a big nightmare," he said.

The 21-year-old sailor from Norfolk, Virginia, was one of the lucky ones among the estimated 160 to 170 U.S. servicemen sleeping in the building. He escaped with only light wounds in the leg, but appeared too shocked to give his name clearly.

He was rushed by ambulance to the privately-run Barbir Hospital in West Beirut, where staff said they had received one dead man and seven wounded from the blast at the marines' battalion landing team base near the airport.

As he spoke, wounded marines groaned in pain as local doctors operated on them in the emergency room. A trail of blood led from the hospital entrance.

Asked how many casualties he saw, the sailor replied: "I helped three of them out with me — they are the only ones I saw."

A marine carried into the hospital on a stretcher screamed "It hurts all over" as doctors felt his limbs to test for broken bones.

Doctors said the marine, who could say only that his name was Morris, had suffered head wounds but was in no danger.

Begun wants people to write to him

Jerusalem Post Reporter

Prisoner of Zion Yosef Begun has requested people from around the world to write him and keep his spirits up.

Rina Patel, a teacher who has corresponded with the aliyah activist for several years, yesterday read to a Jerusalem demonstration for Begun a letter she received from him recently. In the letter, Begun, who was last week convicted of anti-Soviet "incitement" and sentenced to 12 years in prison and internal exile, said he hopes he will not be forgotten by world Jewry and other people of conscience. Begun is being held in Vladimir Prison in the Soviet city of Vladimir.

The demonstration was held outside the Jewish Agency's headquarters and was attended by agency officials, guests from abroad and hundreds of high-school pupils. Among those who addressed the rally were Jewish Agency chairman

Bridge over Jordan closed for repairs

Arye Dulzin and Julius Berman, chairman of the Conference of Presidents of Major American Jewish Organizations, who read out a letter he had sent to Soviet President Yuri Andropov protesting the violation of Begun's rights.

Meanwhile, Sam Ben-Shitrit, the chairman of the North African immigrants association, B'Yachad (Together), has asked Education Minister Ze'evulun Hammer, head of the public committee for Begun, to add the organization to the list of those calling for his freedom.

Shareholders ask for role in banks' operation

TEL AVIV (Itim). — A request by holders of shares in the country's four leading banks that bank directors be appointed by the shareholders was presented in Tel Aviv District Court yesterday.

The request was made by

teins and Rachel and Moshe Arbus, who contend that although the public has invested the greater part of the capital required by the respondents, bank officials guarantee their continued control without having to invest any more money.

The banks responded with a request that the petition be rejected outright. Attorney Amnon Goldenberg argued that when the applicants bought their shares they knew they were not properties that afforded partnership in the banks.

SEMINARS. — The West Berlin Senate has agreed to help underwrite a series of five-day seminars on city administration for municipal workers, to be held in Tel Aviv-Jaffa.

Treasury gives IS1m. to troubled hospital

By MARGERY GREENFELD
Jerusalem Post Reporter

Food deliveries and laundry services will be resumed this morning at the Kfar Shaul government psychiatric hospital in Jerusalem, after the Health Ministry transferred IS1 million to the beleaguered hospital on Friday.

The ministry also transferred "enough cash" to its other general and psychiatric hospitals to "allow them to function until the end of the month," ministry director-general Baruch Modan told The Jerusalem Post last night.

"This is not a long-term solution, but we are about to sit down with Treasury officials to work out a budget that will reflect the real prices of food, medicines and other supplies and services following the recent devaluation and price hikes," Modan said.

"We hope to be able to turn over a new leaf now in our relations with the Treasury. To this end, we have

committed ourselves to buy our supplies locally, whenever possible," Modan said.

Kfar Shaul medical director Dr. Yair Barel told The Post last night that the cash transfer had enabled the hospital to "pay part of our debts from May and June, to Tnuva and our other major suppliers."

The "respite" will be for two or three weeks, Barel estimated, "or at least until the next round of bills starts to roll in."

Barel also said that the Dutch Friends of Kfar Shaul had undertaken to purchase some electric heaters for the hospital, following an article which appeared in The Post on Friday describing the hospital's dilapidated physical plant.

"This will be a tremendous help. For years, most of our patients have been struggling through the winter without heating of any sort," Barel said. "Now we'll have to concentrate on supplementing our inadequate supply of warm clothing."

Treasury cancels ineffective levy

Jerusalem Post Reporter

The Treasury yesterday abolished a special devaluation levy for importers, which had proved ineffectual. The levy was applied on goods imported before a devaluation, but sold after it, at a higher price.

Importers had been evading the levy anyway by cancelling their import orders, made prior to the

devaluation, and then immediately renewing them. The foreign suppliers would simply complete new forms with a new date — after the devaluation — and the transaction would appear to have been made at the later date.

Following the recent 23 per cent devaluation of the shekel, considerable sums of money were involved in this manner.

Move to limit press-card holders

By JUDY SIEGEL
Jerusalem Post Reporter

The Government Press Office has established a committee to consider ways of limiting the issuance of press cards only to those Israelis who are full-time journalists.

Morton Dolinsky, acting press office director, told The Jerusalem Post editorial staff that 3,000 Israelis now hold press cards, which permit entry to press conferences and government offices. The number has increased dramatically with the

proliferation of local weeklies and advertising handouts that carry some news. In addition, large numbers of TV and radio technicians have been granted press cards.

The committee, which includes Yehoshua Rotensreich of the Israel Press Council, is to report to Dolinsky within three months.

"I expect a lot of screaming," Dolinsky said, adding that in his view, the privilege of holding a press card should be limited to full-time journalists on the staff of newspapers and magazines.

Katamon activist jailed for assaulting police

Relatives of Azer Cohen raised an uproar yesterday in Jerusalem's Magistrate's Court, shouting, "Police state" as he was sentenced to six months imprisonment, given another six months suspended sentence and fined \$5,000 for attacking policemen two years ago in a Jerusalem community centre.

Ever since the Katamon neighbourhood activist's arrest a month ago, slogans calling for his release have appeared on walls throughout the city. Police believe that the arson attack on a Border

Guard jeep two weeks ago in Jerusalem's Katamon district was connected with demands for his release. (Itim)

Spoiled fish discovered

TEL AVIV (Itim). — The municipal veterinary unit last week seized and destroyed 30 kilos of fish which was to be served to guests at the Topaz wedding hall here.

The spoiled fish was uncovered during a routine check



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Sunday, October 23, 1983

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WEEKLY REVIEW

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Marine Lance Cpl. Frank Roberts taking aim at snipers near Beirut airport last weekend. He said he shot two of them.

Elusive Targets

United Press International

Peacekeepers Become Another Warring Faction

By THOMAS L. FRIEDMAN

WHILE anyone really noticing it at first, the Marines here have been transformed during the last month of fighting from a largely symbolic peacekeeping force—welcomed by all—to just one more faction in the internal Lebanese conflict. Between September 1982 and July 1983, one marine was killed and 10 wounded in Beirut clashes. In the last two months six American servicemen have died in action and 50 have been wounded—including one killed and nine injured last week.

The Marines originally came to Lebanon to support the central Government and facilitate the withdrawal of foreign forces. They have discovered, however, that in supporting the Government they have become the adversaries, and targets, of many Lebanese opposition groups; and in pressing for the withdrawal of foreign troops, they have run squarely into Syria.

The political community here is just too fragmented and the Government's legitimacy too tenuous for any outside force to be respected as a neutral party for long.

American policymakers in general and the

Marines in particular are only partially prepared for the change in role that has been forced upon them. For example, when the Marines arrived in Lebanon in September 1982 it was decided that they would protect "open" ground, particularly the airport. Peace was in the air at that time, everyone was upbeat and so the Marines could spend their days passing out bubblegum to children and watching as a succession of planes took off from Beirut airport. But then this August the situation turned sour. West Beirut militias threw the army out of most of Beirut's southern suburbs, and suddenly the Marines' cozy airport peacekeeping compound was turned into a battlefield. The Marines found that being on the low ground, which never seemed to matter before, meant that now they were almost surrounded by "high ground," shantytowns populated by a variety of Shiite Moslem militiamen hostile to the Lebanese Army and all its friends.

The Marines, of course, were not caught totally off guard by this change in environment. When snipers from the Burj al-Barajneh suburb started firing on them, they unveiled their own snipers and fired right back, rather effectively, too. For a few days that quieted the situation, but then on Wednesday a Marine supply convoy was passing through

the streets, and someone detonated a car bomb next to it, injuring four Americans. When it comes to killing people, the creativity of underground groups here knows no limit, as the Israelis, who had two more of their soldiers blown up in Sidon last week, will sadly attest. The Marines are slowly being sucked into the rhythm of Lebanese political violence.

Who's Out There?

More frustrating, the Marines really have no idea who is shooting at them. They reported seeing men wearing reddish camouflage standard issue "Warsaw Pact" uniforms, but in Lebanon the color of a man's uniform is no more a tipoff to his real political allegiance than the color of his eyes. The Marines have maintained good relations with the Shiite Moslem Amal militia, which they thought controlled the area around them. But as Amal spokesman Sami Sibilani noted, "There used to be 100 different organizations in these neighborhoods in the pay of all different kinds of people. No one can say they are all gone or expect us to be able to control them all 100 percent."

Assuming, as most Lebanese political analysts do, that the national reconciliation dialogue scheduled to open in Switzerland soon

does not produce any immediate national entente, the Marines are going to have to find an answer to the problem of how to remain a peacekeeping force in a country where no one is allowed to be neutral for long.

At his news conference last week, President Reagan signaled Syria that the United States considered it the ultimate mastermind and arms purveyor behind those trying to disrupt efforts for national accord. The President's tough warning that Washington would not "just stand by" may have contributed to Syria's agreement to the reconciliation dialogue in Geneva, after weeks of apparent stalling. But in the event of further hostilities how far can the Americans really go beyond rhetoric? The battleship New Jersey, stationed offshore, is powerless against snipers, assassins, car-bombers and political intimidation, which are the stock in trade of anti-Government forces here.

This is why the Syrians have an advantage in any matchup against Washington. They play by their own rules—"Hama rules," named after the city in northern Syria where the Syrian regime put down a mass rebellion by turning half the town into a parking lot and killing from 3,000 to 20,000 of its inhabitants. Hama rules mean everything goes, and it is doubtful Washington will play that way.

Major News

In Summary

House Again Defies Reagan On Nicaragua

Congressional Democrats last week tried anew to dismantle Administration support for the anti-Sandinista war in Nicaragua. The House dismissed President Reagan's news conference assertion that covert actions have always been "a part of Government's responsibilities" and voted, 227 to 194, to halt aid to the insurgents. It authorized instead \$50 million to help nearby countries intercept weapons the Administration says Nicaragua is supplying to subversives in El Salvador.

"Military victory is the Administration's bottom line," contended Representative Edward P. Boland, Democrat of Massachusetts, who favored the cutoff. But Republicans overwhelmingly backed Mr. Reagan. Representative Henry J. Hyde, Republican of Illi-

nois, said the measure consigned the United States "to the role of a lumbering Gulliver, tied down by wimpish, Lilliputian Congressional inaction." The White House hoped the Republican-controlled Senate would see to killing the cutoff later, as it did after a similar House vote in July.

Curtailed the rebels, Secretary of State George P. Shultz argued, "would virtually destroy" prospects for getting Nicaragua to "reconsider its pervasive intervention in the area." As evidence that military pressure has been producing desired effects, he cited the Sandinista acceptance of a 21-point program that would include a ban on outside military aid and advisers.

Ducking questions as to whether Washington's tactics were working, Nicaragua's Foreign Minister Miguel D'Escoto Brockmann followed up the broad agreement by giving the State Department four draft treaties on Central American security. They proposed on-site inspections and fines to stop the arms

traffic and a ban on foreign military installations and maneuvers. Economic sanctions like Washington's cancellation of Nicaragua's sugar quota and vetoes of its international loans would also be lifted. If "acts of aggression against Nicaragua continue to increase and the situation of the border zone with Honduras continues to deteriorate," the documents warned, "there may occur an open conflict of incalculable consequences" that could draw in "North American troops."

The State Department, rejecting the treaty proposals as "deficient" and containing "strident anti-U.S. polemics," said they should be addressed to Latin American mediators, the so-called Contadora group comprised of Panama, Venezuela, Colombia and Mexico.

The President met last week with his commission on Central America and the chairman, Henry A. Kissinger, afterward described the situation in the region as "graver than most of us expected." The commission recently spent a week visiting the five Central American nations and Panama but Mr. Kissinger said the group was not yet ready to submit recommendations to the President. (Washington's intentions in Nicaragua, page 2.)

The Sounds Of Silence

The Reagan Administration wants Federal employees to keep their mouths shut, and favors one particular way of making sure they do. Last week, the Justice Department backed random lie detector tests for screening officials with access to especially sensitive information. But in a rebuff of another part of the President's plan—a lifelong censorship—the Senate voted 56 to 34 for a delay pending Congressional hearings.

Mr. Reagan issued an order in March requiring more than 100,000 Government workers who handle highly classified data called "sensitive compartmented information" to sign a prepublication review agreement. Even after an official leaves office, it would cover any manuscript, fiction or nonfiction, which touches on intelligence activities. The order also called for polygraph exams during



David G. Klein

investigations of leaks. In House testimony last week, Deputy Assistant Attorney General Richard K. Willard, architect of the secrecy program, said such tests were appropriate even if there was no evidence of a security breach.

The bill passed by the Senate would force a stop to the censorship measures, at least until next April, but would not prevent polygraph tests of more than 2.5 million individuals. Co-sponsor Charles McC. Mathias Jr., Republican of Maryland, said the prepublication review rule was "a sweeping program of prior restraint, a restriction on free speech which could pass muster under the First Amendment only if compelled by the most extraordinary circumstances."

His action, which supporters expect to pass the House, would not affect Central Intelligence Agency and National Security Agency employees who are already subject to lifelong censorship of their writings. In general, the process of implementing the Reagan directive has been slow, with little change so far anywhere in Government.

Representative Jack Brooks, Democrat of Texas, said hearings of his Legislation and National Security subcommittee last week had shown that lie detectors are unreliable and that prepublication review "stifles the free exchange of ideas." He said he would seek to block both.

A Mideast Policy at The Mercy Of Events

By LESLIE H. GELB

TEN years after Henry A. Kissinger engineered an end to the 1973 Arab-Israeli war and started a peace process, and four years after Jimmy Carter cemented that process between Egypt and Israel at Camp David, the situation in the Middle East has deteriorated sharply and American involvement has increased dramatically.

With diplomatic efforts running out of gas and the fighting constantly on the verge of escalation, President Reagan last week embarked on an overall review of Middle East policy.

White House officials said that basically all that Mr. Reagan had decided thus far was to rejuvenate efforts to get Syrian and Israeli troops out of Lebanon and rekindle his comprehensive peace plan for the Middle East. At his Wednesday news conference, he placed the blame for "foot-dragging" in Lebanon on Syria and the Soviet Union.

To try to shake all this loose, Mr. Reagan needs a new Middle East envoy to replace Robert C. McFarlane, who has taken over as his national security adviser, succeeding William P. Clark. That person will help to shape policies that officials recognize must be adapted to a new set of realities—as if the old ones were not difficult enough.

There are also domestic political realities that the White House must take into account in thinking about the Middle East. Jewish voters must be attended to in an election year. Conservatives are angered, to say the least, that Mr. Reagan chose Mr. McFarlane over United Nations delegate Jeane J. Kirkpatrick for the security post. That requires Mr. Reagan's doing something somewhere to keep the conservatives happy—without destroying the aura of pragmatism generated by the McFarlane choice.

That pragmatic image is very important to the White House because of the growing sense that Mr. Reagan's weak suit in a 1984 re-election campaign may be foreign policy in general and the increasing Marine casualties in Lebanon in particular. Officials are conscious of the fact that their remains an Administration whose main foreign policy success has been the absence of catastrophic failures. There is still no discernible progress toward arms control pacts with Moscow, peaceful change in Central America, southern Africa or the Philippines, or of movement in the Middle East. If anything, events in the Middle East plus constantly changing Administration policy have conspired to push prospects for resolving differences farther beyond the horizon.

Last year, the Administration condemned the Israeli invasion of Lebanon and six months ago it was arguing that stability in Lebanon required the withdrawal of all foreign forces. Now, officials say withdrawal remains the ultimate goal but stability hinges for the time being on keeping Israeli power in Lebanon to balance Syria's. Officials are looking to rebuild what they call a "strategic" dialogue with Israel. But there no longer are a Menachem Begin and an Ariel Sharon, willing and eager to flex Israeli muscles. The new Government led by Yitzhak Shamir is mired in economic problems and seems reluctant to do anything beyond protecting its border with Lebanon.

Slim Chances of Withdrawal

Administration officials also now recognize that in the near term there is little or no chance of gaining Syrian or Israeli withdrawals or of reconciling the different Lebanese factions with a strong government in Beirut. Mr. McFarlane was said to have recommended seeking a commitment from both sides for gradual withdrawals.

There is also the reality of American Marine involvement in this messy and dangerous civil war, not for a few months as originally hoped, but indefinitely. This fact was underlined by the President's signing of legislation authorizing the Marines to remain in Lebanon for 18 more months.

Within the last year, officials have been telling quiet about Mr. Reagan's peace plan, which called for resolving the Palestinian problem by association of the West Bank with Jordan. But in recent weeks, officials expressed a new sense of need and opportunity. The need stems from growing Soviet involvement in Syria. The opportunity arises from the fact that Yasser Arafat, chairman of the Palestine Liberation Organization, and a major obstacle to King Hussein's participation in the peace process, seems to have gotten his wings clipped by Damascus.

But Damascus itself is an obstacle to Arab talks with Israel, and the Administration is searching for ways to establish some influence there. One idea being discussed is to move away from the agreement negotiated by Secretary of State George P. Shultz in May which established ties between Lebanon and Israel and committed Israel to withdrawal. Damascus is flatly opposed to it, in large part because it raises pressures for Syrian withdrawals.

According to officials, last week's deliberations also turned to the strategic question of whether to concentrate diplomatic efforts on Lebanon and set aside the broader Middle East peace process, or try to do both. The initial word was that Lebanon would receive the first priority because of the increasing dangers of escalation and because of the mounting Marine casualties.

No official seemed to believe that the prospects for peace in Lebanon or the Middle East generally were promising, but all felt that standing still meant going backward, and that Mr. Reagan had no choice but to gear up and try once again.

Q & A: The Peronists and the alternative

3

Minuses and pluses of Federal deficits

4

The World

Grenada Torn By a Deadly Disagreement

There are many larger and more important Caribbean islands than Grenada, but few have been so much a part of the world's recent political preoccupations as this 133-square-mile speck in the Windward chain near Venezuela. Grenada distracted the great powers more than usual last week as Prime Minister Maurice Bishop, who seized power in 1979 and was on Washington's blacklist for his close relations with the Soviet Union and Cuba, became the victim of a coup that left him and at least three of his ministers dead.

The outside world was getting only a fragmentary and confusing picture of the latest events in an island that has been frequently troubled over the past 20 years. Mr. Bishop had been placed under house arrest after a faction within his New Jewel Movement became unhappy with policies that defied "the collective will" of the party and deviated from its



Gen. Hudson Austin

Marxist line. Former Deputy Prime Minister Bernard Coard, described as more hard-line than Mr. Bishop, was thought to have led the initial opposition but it was the head of the armed forces, Gen. Hudson Austin, who emerged as strong man.

Mr. Bishop still had supporters among the 110,000 Grenadians and a few thousand of them managed to free him during a demonstration. He led them to the army barracks and in ensuing fighting perhaps 40 people died, including Mr. Bishop and the Foreign Minister, the Minister of Housing, the Minister of Education, four soldiers, and some ordinary civilians, reports said. A Revolutionary Military Council was organized with General Austin as chairman but its political orientation was not immediately clear.

The State Department suggested Cuba might be behind the coup but Havana condemned it. Nevertheless, Cuba offered to continue relations with the new regime. The leaders of 13 English-speaking islands were not so friendly. In Trinidad yesterday, they discussed possible sanctions and even military action.

Under the much-contested rule of Sir Eric M. Gairy, Grenada won independence from Britain in February 1974 after rioting in which Mr. Bishop's father was killed. Five years later, while Sir Eric was in New York, Mr. Bishop ousted him in a bloodless coup and established the first "People's Revolutionary Government" in the English-speaking Caribbean. He also established close ties with Fidel Castro and with the Soviet Union. Last year, President Reagan visited the Caribbean and accused Grenada of helping to "spread the virus" of Marxism in the Western Hemisphere. Among Washington's worries is the construction of an airport with a 9,000-foot runway on which Soviet and Cuban warplanes could land. Mr. Bishop said it was meant to enhance tourism, one of Grenada's few resources.

Another United States concern was the several hundred Americans studying medicine on the island. A naval task force with 1,900 marines en route for Lebanon was diverted to the area for their possible evacuation. The island's authorities, nervous about an invasion, gave assurances the Americans were safe and issued permission to American diplomats from nearby Barbados to come and see for themselves.

The Crunch In Brazil

The shantytowns of Rio de Janeiro and São Paulo don't see many international bankers but last week their influence was being felt by millions of normally ebullient Brazilians who despairingly contemplated austerity in the midst of 200 percent inflation.

The need to get new loans to keep the country's finances afloat and stave off a default on its \$86.3-billion debt triggered a power struggle in Brasília, the capital, between Congress, chosen last November in the first free elections in 17 years, and President João Baptista Figueiredo, an army general seeking to complete Brazil's transition to democracy. When the legislators balked at an austerity program that would have drastically cut spending and held down wage increases, the President first ordered a state of emergency in the capital, then decreed the measures Congress refused to pass.

Brazil is trying to persuade some 800 foreign banks to approve an indispensable \$6.5 billion loan package, as the Government reminded Congress. The bankers and the International Monetary Fund want to see the inflation rate lowered but Congress appeared to fear the political effects of such measures as raising income taxes and limiting wage increases to well below the inflation rate. The presidential decrees softened the blow somewhat by being more severe with higher-paid workers. But General Figueiredo also anticipated popular unrest. His emergency measures forbade all public gatherings in the capital.

The Icy Grip Of Incompetence

A bone-chilling battle against 12-foot-thick Arctic pack ice provided Soviet newspaper readers with a dramatic diversion from everyday drabness last week. But after all the rhapsodies on maritime heroism, Pravda announced that bureaucrats, not ice floes, were the true villains.

At least 30 ships were damaged and one sank when an early freeze cut off the supply route to the rapidly expanding economy of the northern Siberia coast. Up to 40 freighters and tankers with an estimated 1,000 crew members were stranded in the ice or Arctic ports. A flotilla of icebreakers led by the nuclear-powered Leonid I. Brezhnev towed them out, sometimes at painfully slow speeds of less than one mile per hour.

Moscow headlines at first hailed "Heroism" and "Drama and Feats in the Polar Sea." But Pravda, the voice of the Communist Party, concentrated its fire on shoddy, inefficient and uncoordinated performances in the responsible ministries. The Arctic fleet was largely obsolete, it said, and Gosnab, the state supply committee, had let ships stand idle for days because of inefficient loading and scheduling.

Food, fuel and water, which must be shipped in during the brief Arctic summer, reportedly were short in Pevek, Billings and Norilsk, Russia's northernmost city — centers for Siberia's mining economy. The Government newspaper Izvestia said only a minuscule fraction of the needed goods could be delivered by air. It was time, Pravda said, to build an all-weather road to the Arctic ports from Evkekinota, the year-round port on the Bering Sea.

Jordanians to The Rescue?

The Reagan Administration's secret plan to prepare a strike force of Jordanians, revealed in part two weeks ago in Israel, lost more of its cover last week. Government officials said training had been under way for 30 months without Congressional authorization. The Pentagon, they added, had earmarked Air Force planes to help fly 8,000 Jordanians to Persian Gulf trouble spots.

At the same time, the Administration was considering a new effort to involve Jordan in President Reagan's plan for Palestinian autonomy in the West Bank, which Israel also opposes. Infighting in the Palestine Liberation Organization, it was thought, might release King Hussein of Jordan from the P.L.O. veto on his participation.

Earlier efforts by Washington to provide advanced weapons to friendly Arab countries have touched off furious battles in Congress. Officials began briefing members of key committees last week after it became known that the Administration planned to tap into the defense budget that recently passed a House appropriations subcommittee, diverting \$220 million for three C-130 transport planes and sophisticated weapons for the Jordanian commandos.

The force's mission is to aid pro-Western Arab countries such as Saudi Arabia, Bahrain, Oman and Yemen in case of disturbances like the 1979 Islamic fundamentalist attack on the Grand Mosque at Mecca. But a non-Jordanian Arab source questioned its utility. "Anyone who believes the Gulf states would rely on Jordanians to salvage their regimes," he said, "doesn't understand the Gulf."

Henry Gihler,
Milt Freudenheim
and Carlyle C. Douglas

Reagan Defended Covert Campaign Against the Sandinistas Last Week

Pushing the Nicaraguan Pressure Points



Funeral for Nicaraguan soldier killed in border fighting with anti-Sandinista guerrillas.

By RICHARD J. MEISLIN

MANAGUA, Nicaragua — The actions and words of the past two weeks here and in Washington have persuaded many officials in both countries that the United States, in effect if not in fact, is at war with Nicaragua. In Managua, the sense of siege is pervasive — in headlines denouncing the Central Intelligence Agency and the "contras," or counterrevolutionary rebels, it supports; in Sandinista speeches, and in the accelerating mobilization of loyalists to fight in the north. "Nearly everyone has a brother or a cousin or a son fighting up there," said a college student from Matagalpa, north of the capital.

Few Nicaraguans doubt that the United States is involved, although the full scope of the activity remains unclear. Washington's financial support for the anti-Sandinistas is widely assumed; the House of Representatives voted again last week to try to cut off the aid. Administration officials have reportedly said the C.I.A. recommended and helped plan the recent bombing raid that damaged Corinto, a major oil facility and Nicaragua's main port for other imports as well.

Disagreement and doubt remain, however, concerning President Reagan's underlying goals. State Department officials insist the Administration does not want to oust the Sandinistas, only to persuade them to change policies it blames for bringing instability to the region. But Mr. Reagan has said that it would be "extremely

difficult" to achieve peace if the Sandinistas remain in power.

Thomas P. O'Neill Jr., the Speaker of the House, who should be informed of United States intentions, stated his opposition last week to continuing aid to the contras: "I believe that the United States should not be engaged militarily in trying to overthrow other Governments."

Guessing Game

The President has repeatedly declined to clarify United States intentions in Nicaragua. In his news conference, he would say only that covert actions were the right of a country "when it believes that its interests are best served" by them. The definition would seem to permit these actions wherever political and economic tendencies did not accord with an Administration's wishes.

Diplomats in the region offer at least three theories to account for Administration actions. One holds that Washington, which accuses the Sandinistas and their Soviet bloc allies of giving crucial aid to rebels battling the United States-backed Government in El Salvador, is trying to create a parallel situation in Nicaragua. By giving the same type of aid and advice to anti-Sandinista rebels, this theory goes, it hopes to create a bargaining chip to be used for simultaneous withdrawals of support for internal unrest and the foreign military presence.

Arguing against such a deal, many military and diplomatic officials believe, are several facts. The Salvadoran guerrillas have strong-

holds in their country; the Nicaraguan rebels do not. The Salvadoran people's commitment is not great to what many of them see as a divided, impotent Government; the Sandinistas have alienated much of the Nicaraguan middle class but have achieved a significant commitment from poorer people through improvements in health and education and no small degree of political control. Perhaps most important, Nicaraguan support for the Salvadoran guerrillas appears to be far less significant there than in United States aid to the Nicaraguan rebels — and to the Salvadoran Government.

Daniel Ortega Saavedra, the Nicaraguan junta leader, recently offered a similar argument. "The day the U.S. military advisers walk out of El Salvador, it's over," he said to a diplomat in Managua. "The day the Cuban advisers walk out of here, it's not."

Another theory is that the United States is trying economic pressure so the Sandinistas will be more conciliatory in regional negotiations. "It has," a Western diplomat said dryly, "focused their attention."

Mr. Reagan's preference, this theory adds, would be for Nicaragua to become another Costa Rica, which the Administration is fond of holding up as a near-at-hand example of democracy, peace and liberty. Some diplomats believe, however, that the Sandinistas may agree to concessions regarding the security of their Central American neighbors — who are increasingly anxious about them — but that they have little intention of changing the nature of their revolution or opening up their society.

The third theory suggests that Mr. Reagan, who is strenuously opposed to accepting another leftist Government so close to home, hopes to topple the Sandinistas. His intent, this theory goes, is to make conditions in Nicaragua so grim that the people will again rebel, or to provoke a border incident that would justify United States intervention on grounds of regional security dangers. This interpretation is favored by Nicaragua's leaders but they appear unconcerned that rebellion might come from within. The Sandinistas have recently issued tens of thousands of arms to local militias — not the actions of a Government worried that the weapons may be turned against it. "The harder the United States makes things for us," said a woman in the crowd of chanting and banner-waving demonstrators when Henry A. Kissinger and his commission visited Managua last weekend, "the harder we will fight."

In addition, Washington could be expected to think long and hard before launching a potentially long and bloody intervention so close to next year's Presidential election. And the possibilities for an alternative Government drawn from among the Nicaraguan rebels are few; they have yet to make peace among themselves.

The only point of apparently uniform agreement is that no easy or quick solution lies ahead and thus no end to bloodshed in Central America.

Greek Socialists Marked Second Year in Power Last Week

Papandreou Keeps Left Of NATO

By MARVINE HOWE

ATHENS — While other European governments struggle to control people demonstrating against weapons, Prime Minister Andreas Papandreou has serenely assumed the leadership of Greece's antinuclear movement. As the only NATO leader supporting the international campaign, he has urged a six-month delay in deploying American cruise and Pershing 2 missiles in Europe and has talked of forcing the removal of American nuclear weapons stockpiled in Greece. "When they try to corner us and ask whether we are with the West or the East, our reply is: 'We are for peace,'" Mr. Papandreou said last week at second anniversary celebrations of his electoral victory.

In private, the 64-year-old Socialist still talks like the sophisticated, liberal professor he was for two decades on American university campuses. But his public statements ring with third world rhetoric that jars, if not angers, his Western allies. Some Western diplomats insist it is more important to look at his acts than his pronouncements — he has not kept his campaign promises to pull out of the North Atlantic Treaty Organization and the European Community or to close American military bases. Instead, Greece served its six-month term as President of the common market; recently it agreed to give the United States bases another five years.

Nevertheless, Mr. Papandreou has become NATO's odd man out. Angry allies thought he served Soviet interests by his refusal to join Western condemnation of Moscow for shooting down the South Korean airliner and by his talk against the missile deployment.

Recently, the Papandreou Government also barred American and Italian aircraft and ships from passing through Greek airspace and waters with weapons for the peacekeeping forces in Lebanon. But it let Czechoslovak military training planes land en route to Syria.

Greece also boycotted NATO exercises in the Aegean because the alliance would not choose between conflicting Greek and Turkish positions regarding the island of Limnos. American and Turkish planes taking part in the NATO exercise were accused of violating Greek airspace, while Soviet navy vessels were warmly welcomed in Piraeus. Earlier, Mr. Papandreou publicly supported Yasir Arafat, the Palestine Liberation Organization leader, and refused to join in sanctions against Poland's military regime.

Although some political observers say Mr. Papandreou's policies simply reflect Greek love of drama and the limelight, seasoned diplomats see his avowed neutralism as pragmatic politics designed to appeal to Socialist supporters and un-



Sailors from a Soviet cruiser in the Greek port of Piraeus earlier this month.

dercut Communist opponents. His associates add that his Panhellenic Socialist Movement has always been more radical than its West European counterparts. "Papandreou is a Westerner but all of us have a certain affinity with the Middle East because of our history, culture and geographical location," an aide said.

Disappointment in Athens

Washington seems to be making a determined effort not to show its unhappiness after achieving its priority goal, the renewal of agreements on the four military bases. The American Embassy kept cool even when headlines in pro-Government newspapers on the airspace controversy referred to "American murderers." Anti-Western positions are believed to have hurt Greece's cause in Congress, where "the Greek lobby" battles to maintain a balance in American military aid to Greece and Turkey. Indeed, five congressmen of Greek origin wrote to Mr. Papandreou to express their distress when Greece did not join in condemning the Soviet attack on Flight 007.

There was disappointment in Athens, too: 5,000 people protested at the Soviet Embassy.

However, Mr. Papandreou's defiance strikes a sensitive chord among many Greeks still bitter about Washington's support for the 1968-1974 military dictatorship, its inability to prevent Turkey's 1974 occupation of Cyprus and its recent seeming tilt toward Ankara.

Mr. Papandreou has managed to keep both Communist and right-wing opponents off balance. The Moscow-line Communist Party has restrained its labor unions despite such potential ployments and 21 percent inflation. Meanwhile, Mr. Papandreou of jeopardizing links with the West, risking isolation. But his foreign policies asked for Greek cease-fire observers, France thanked him for helping obtain the release of 30 socialist Prime Ministers arrived to discuss his ideas on Mediterranean socialism.

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Barring Progress in Geneva, Cruise Deployment Will Soon Begin

A Delayed Fuse on Kohl's Missile Crisis

By JAMES M. MARICAM

BONN — Helmut Kohl's friends like to say that, whatever his shortcomings, the Chancellor's nerves are good. He should have ample occasion to display steadiness and tenacity in the unsettled months ahead. For now, he seems firmly in control. A 10-day street campaign against American missiles, which climaxed yesterday with close to a million people attending rallies in five cities, failed to shake the country's foundations. Barring a surprise Soviet-American arms compromise in Geneva, Parliament is expected to approve the stationing of new American medium-range missiles on Nov. 21. In the next few weeks, nine Pershing 2 missiles are expected to arrive at American Army bases in southern Germany and become operational by Dec. 15.

But deployment could stretch out until 1987, making for an agonizing, slow-motion test of West German will. The Soviet Union and its ally, East Germany, will do their best to cajole and bludgeon Bonn into swerving from the course laid down in the Atlantic alliance. At home, the Chancellor's center-right coalition will face a Social Democratic opposition that is half-convicted its political rejuvenation lies in a patriotic, faintly neutralist, anti-NATO tack. The divided Social Democrats have been chasing the romantic, leftist Greens and the umbrella coalition — the "peace movement."

For the most part, the demonstrations have remained impressively peaceful, but hard-eyed men in the interior Ministry believe a fringe minority will eventually turn to sabotage or terrorism, raising new issues of internal security. Demonstrators in Bonn trying to ex-

plain relatively small turnouts at antinuclear protests last week suggested predictions of violence had frightened off participants. At New Ulm, several hundred demonstrators blocked the entrance to a United States Army base, launching a large-scale demonstration yesterday encompassing the American headquarters in Stuttgart about 65 miles away.

Mr. Kohl and his nimble Foreign Minister, Hans-Dietrich Genscher, have dealt with the Russians and East Germans by smothering them with dialogue — on everything but missiles. In Vienna last weekend, Mr. Genscher told Soviet Foreign Minister Andrei A. Gromyko that Bonn wanted closer economic, scientific and cultural ties; West Germany, he insisted, is a "reliable partner."

Mr. Gromyko harshly attacked the Reagan Administration but seemed to treat the West Germans as mere accessories to missile deployment. Mr. Genscher came away from 11 hours of talks persuaded that Moscow is not eager to rupture its somewhat special relationship with Bonn, one of the few NATO countries where the Soviet Union still has fairly civil ties.

Sowing Uncertainties

The same approach underlies the Kohl attitude to East Germany, despite dark warnings from East Berlin that missile deployment could imperil their recently improved relations. Analysts in Bonn think the East Germans are bluffing. Heavily indebted to the West, Erich Honecker's regime has little choice but to turn to West Germany for capital, like the extraordinary \$36.8 million bank credit it received in June.

In return, Mr. Honecker so far has made only nominal concessions to easing human contacts. At last week's

meeting in East Berlin of Comecon, the Communist trading alliance, the Soviet Union exhorted its partners to pull themselves up by their bootstraps. Western specialists say they detect a growing perception among East German officials that their interests, particularly economic ones, are diverging from the Soviet Union's. Cutbacks in vital Soviet oil and coal deliveries have sharpened this awareness. In the Warsaw Pact, moreover, Mr. Honecker's position has been strengthened by the uncertainties in Poland.

But the Soviet Union may have surprises in store for Mr. Kohl. Jürgen Todenhöfer, disarmament spokesman for the ruling Christian Democrats, predicted last week that Moscow may announce a spectacular destruction of some of its SS-20 missiles, or make an enticing 11th-hour offer at Geneva, to try to sway the Bundestag. Mr. Genscher believes the Russians have not yet decided whether to break off the Geneva medium-range talks if deployment begins. By walking out, Moscow might hope to raise the anxiety threshold in West Germany, as deployment unfolds toward the designated total of 108 Pershing missiles, with no negotiations to cap it. "That will cause a lot of people to be nervous here," a senior Western diplomat said, "not just among the Social Democrats, but in the Government, too."

The drama of securing West German backing for the missiles has NATO strategists asking whether the process could ever be repeated for another weapon. One evident Soviet goal is to sow such uncertainties about West Germany, the alliance's continental cornerstone, making further nuclear arms modernization dubious. Moscow seems to be gambling that the antinuclear movement signals a seismic shift in West Germany — the



Chancellor Helmut Kohl

coming of age of a generation that wants to maintain equidistance between Washington and Moscow.

The opposition Social Democrats have already moved leftward and are expected to reject missile deployment at a special congress in Cologne on Nov. 18 and 19, just before the Bundestag vote. That would repudiate the security policies of Helmut Schmidt, the party's former Chancellor.

Steered by young Turks, the Social Democrats have embarked on a search for the two-thirds of the population that tells pollsters it opposes the new missiles. But the same surveys show a similarly strong disposition to stay in NATO, which suggests that most West Germans are not neutralist but frightened and confused.

A Q & A With Argentina's Presidential Candidates

Choosing a Peronist Revival or Middle-Class Policies

After seven years of military rule, Argentina is to hold its first elections in a decade next Sunday. According to polls, two presidential candidates, Raúl Alfonsín and Italo Luder, are likely to split most of the vote in a close race. Either will inherit a nation in such turmoil that last week the beleaguered Government of President Reynaldo B. Bignone raised the possibility of moving up the inauguration of the new Government from Jan. 30 to late December.

Inflation hit an annual rate of 924 percent last month. Wildcat strikes have proliferated, but the Government is unable to offer much relief to workers because of the country's \$40 billion foreign debt. For nearly two months, nearly \$800 million in loan disbursements from the International Monetary Fund and banks have been held up because the country has fallen \$210 million behind on interest payments and has broken the I.M.F.'s belt-tightening conditions. Pressure has grown to not repay the debt to force changes in the repayment conditions.

In addition, the nation is haunted by the ghosts of more than 5,000 people who disappeared in the military's anti-terrorist campaign of the 1970's. The military has decreed a controversial amnesty, freeing itself from future prosecution for policies that led to the disappearances, torture and hundreds of confirmed deaths.

Mr. Alfonsín, a 58-year-old lawyer and former congressman, is the candidate of the Radical Party, which represents mainly the middle class. Mr. Luder, a 66-year-old constitutional lawyer, is a former President of the Senate. He heads the Peronist Party, which as the spokesman for the working class and the rural poor, is the country's largest party. Edward Schumacher, The New York Times correspondent in Buenos Aires, recently held separate interviews with the two candidates on the major issues. Excerpts follow.

Q What will you do about the amnesty? Mr. Alfonsín. We will annul it. We are convinced that justice must be available to those who consider themselves victims of a crime. We cannot go backwards, seeking revenge. But we also cannot behave as if nothing happened. Those who made the decision to fight against terrorist subversion using the same methods as the enemy must be held responsible. Those who went beyond the mandate of their orders also must answer for that. But those who limited themselves to carrying out orders in what was an extremely confusing situation have an entirely different degree of responsibility.

A Shared Decision

Mr. Luder. The moral and political conditions were not given for this amnesty law. Public opinion is against it, and so instead of being a way to peace, it is the contrary. What is most probable is that the future Government, through Congress, will abolish it. The courts will then have to decide on its legal effects.

The President of the Republic cannot solve the problem of the disappeared. There will be a constitutional Government in which the three branches will act independently of each other. Each will decide what is suitable, within its powers.

Q What will you do about the foreign debt?

Mr. Alfonsín. We want to meet our obligations but we cannot accept recessive economic formulas. We are not going to accept paying the debt with the hunger of our people. We are not considering a unilateral moratorium. We will pay, if we can, and we want to pay. But the industrial countries must open up their markets. I would like the best businessman in the world to come and explain to me how to repay without exporting. Also, the interest being charged is too high. That is partially a result of the high interest rates in the United States because of President Reagan's economic policy.

Mr. Luder. My Government will not declare a moratorium on the payment of our foreign debt. We will renounce the debt from a position of strength as a democracy. We will seek longer terms of payment and lower interest rates. Mexico and Brazil invested in production and their economies have developed. Argentina over the last seven years has grown economically smaller. Our debt is exclusively financial. We will only pay the legitimate debt. If the creditor has made an illegitimate maneuver, he will have to suffer the consequences. We will have to make a deep investigation to determine the exact composition of the foreign debt.

Q If the banks do not agree to another refinancing, will you join other debtors to confront the banks?



Woodfin Camp/Enrique Shore; Gemma-Liester/Vilshofen (Luder and Alfonsín)

Demonstrators carrying pictures of their missing relatives in Buenos Aires.

Italo Luder
'We are not populist. We are popular.'

Mr. Alfonsín. Let's not call it a debtors club, but I think Latin America has to understand the need of working united. This means trading with each other and fighting together against the North's discrimination against us on foreign trade matters. It means seeking a new international economic order. It also means harmonizing our financial policies to pay our foreign debts.

Mr. Luder. In a negotiation, the banks are always ready to change. They know that it would not be convenient to adopt a rigid position. Argentina has always met its obligations, but we cannot do it by impoverishing and starving our people. I do not believe in a debtors club. Each country must negotiate based on its own possibilities and needs.

Getting Along with the U.S.

Q Relations with the United States have been touchy because of American support for Britain in the Falkland Islands war last year. What relations will you have with the U.S.?

Mr. Alfonsín. The best possible understanding that there are some common interests, some different ones and also some opposing interests. At present, instead of uniting with us in a fight for democracy, the United States is forcing us to defend ourselves from a cruel capitalism. It projects a policy that shows it does not understand that the best way of defending the security of our continent is through democracy, not with authoritarian and military regimes. The distinction between authoritarian and totalitarian governments it makes is just new wording to describe the division between fascist and communist regimes. We are against the theory of ideological borders that has made many of Latin America's

armies turn into armies of occupation in their own countries. We believe the human rights policies of the Carter Administration saved many lives and we appreciate that position and attitude. We are in a very serious fight for democracy and believe that the American people are struggling for the same values and principles.

Mr. Luder. We are interested in re-establishing a relationship that would be beneficial to us. Things are very difficult, and we do not want to be internationally isolated. We cannot consider the Malvinas (Falklands) episode as an ingredient in our foreign policy. We will pursue our unquestionable historical and legal rights to the islands in all international forums. But the issue should not be the determining factor in our foreign policy. The Pentagon's doctrine of national security making the military responsible for internal security should be replaced, for it has some times been used by autocratic governments on this continent.

Q Would you call a formal end to hostilities with Britain over the Falkland Islands?

Mr. Alfonsín. No, not unilaterally. Britain must first take some steps, such as starting talks and abolishing the exclusion zone they have around the islands. In a word, they must discuss the matter of sovereignty. I am convinced that once democracy is restored in Argentina, we will have a new standing that will allow us to demand the solidarity of the world's other democracies on this issue.

Mr. Luder. In a practical sense, hostilities have ceased. But as long as England maintains its rigid attitude of not accepting negotiations, Argentina cannot change its position.

Q What foreign policy in general will you pursue?

Mr. Alfonsín. We may be in the group of nonaligned,

but the stress we intend to place is on the struggle for Latin American integration.

Mr. Luder. It was in 1947, before the idea of non-aligned countries even existed, that President Perón launched the idea of a third position, independent of the two powers. To us today our only feasible associations remain with Latin America and the non-aligned countries. If the world situation changes, Argentina will re-shape its foreign policy. We regard policy as an instrument to serve the country and not an ideological exercise.

Q How will you handle the military?

Mr. Alfonsín. The leading principle in any civilized government is the subordination of the armed forces to the constitutional powers. We will do that. We will reduce the budget of the armed forces and defend our country with more education, health and development. We will not necessarily stop buying arms but we will restructure and cut costs. Our platform calls for an end to mandatory service in the armed forces and we plan to do away with that as soon as we can.

Mr. Luder. The armed forces must return to their specific function of defending the nation against external threats. The draft cannot be the only form of recruitment, but any changes are subject to the budget. The armed forces currently have 35 percent of the national budget. That will have to be cut back to historical levels of around 20 percent. The country's situation is critical and we must invest in basic areas, such as education, public health and welfare.

Telling One From the Other

Q How do you differ from each other?

Mr. Alfonsín. I am predictable. On economic policy, for example, I have no idea what the Peronists will do. But our policy is spelled out in our platform.

Mr. Luder. The difference is not between Luder and Alfonsín. It is between what Peronism and Radicalism represent and their possibilities of carrying out needed social changes. Our social base is the working and lower income classes, with some middle class. The social base of the Radicals is the wealthier sectors and part of the middle class.

Q Peronism has itself divided Argentines since Juan Domingo Perón was first elected President in 1946. One of the military's goals in repeated coups since then has been to eliminate Peronism. The movement is accused of being demagogic and now of trying to re-shape itself after General Perón's death in 1974 with the help of right-wing union leaders. Has Peronism changed?

Mr. Alfonsín. We will see in this campaign if Peronism is more mature. It was very powerful, but you will see: I will win with the vote of labor, getting much more support from that sector than you can imagine. And when I am elected, I intend to bring an end to the labor oligarchies that have been managing the unions for a long time.

Mr. Luder. I think that the word 'populist' to describe Peronism is used in a rather contemptuous sense. We are not populist; we are popular. Peronism has always reached government with the majority. Without General Perón, what has changed is the party's internal methods. In the past, his charismatic leadership took care of all our needs. Now, we have produced our own candidates and party authorities, democratically reorganizing ourselves with internal elections. But the goals and principles are still the same.

The constitutional Government will establish the role that each social sector must play in society. In the European democracies — West Germany, France, Italy, Spain — labor is active and represents an important part of their community. We cannot achieve a modern and pluralist society unless we recognize labor as important here. So, I cannot understand why people are so worried about the party vice president, for example, being a union leader. Would they be more satisfied if he were an executive or a monopolist?

Q Only one elected Government has completed its term in 53 years. What makes you think democracy will fare any better this time?

Mr. Alfonsín. There is a revaluation of democracy. I have seen it in the Argentine people. Everybody thinks now that the only way to solve their troubles is through recovering their rights and freedom. It is the most important event of our society, and whoever misunderstands it, will fail.

Mr. Luder. These last seven years have been very difficult for Argentina. Even the economically strong sectors that often looked to army headquarters as a political alternative are convinced that another military government would be a heading jump into the abyss.

BROADWAY 80



I'm glad I changed.

WARNING — The Ministry of Health has determined that smoking is harmful to health

The Nation

For Congress, Priorities Shift As Time Flies

In a speech to stockbrokers last week, Representative Barber B. Conable, ranking Republican on the House Ways and Means Committee, propounded the conventional wisdom on budget discipline. "Congress is a crisis-activated institution," he said, and "we need to have a greater consensus of crisis before we can expect action." Conventionally, it was just how Congress was behaving. Racing toward the end of this year's legislative session so they can get home again to campaign for next year's elections, the lawmakers were more eager to spend than tax, and notably reluctant to challenge the White House.

In short order, the House Appropriations Committee rejected all but one attempt to scale down the Reagan military buildup, sending to the floor a \$247 billion spending bill that omitted only production of a new class of chemical weapons. A comparable Senate measure contains the \$24.4 million the President wants for nerve gas in fiscal year 1984. On the domestic front, the legislators made much of the fact that for the first time since 1978 they had been able to reach agreement on separate funding bills for Labor, Education, Health and Human Services and related agencies. The \$97 billion compromise measure came after months of assertions that Congress was going to mend the damage that White House budget-cutting had done the safety net. In the end, it gave the major domestic Cabinet departments 4.3 percent more for 1984 than the President would have.

As for 1984's near \$200 billion deficit, Congress just as much as the White House has felt easier about not tackling it with taxes since the economy has recovered from recession. Last week's report that the nation's output of goods and services rose at a hefty rate of 7.9 percent in the third quarter only bolstered most politicians' belief that substantial new revenues can wait until 1985. Once again a call went to the White House for the President to come reason with Congress on deficit reduction. (This time, it was in the form of a House Budget Committee resolution attached to a bill trimming \$8.5 billion from Federal spending over the next three years, mostly by delaying increases in Federal pay.) The last word of the week was Secretary of the Treasury Donald T. Regan's, in a speech to the National Association of Security Dealers. "Eighty-four we can get through," he said.

A National Day For Dr. King

Fifteen years after the assassination of the Rev. Dr. Martin Luther King Jr., black Americans have come to carry considerable sway at the ballot box. It was surely not the only factor, but the possibility of retribution on Election Day appeared to have strengthened the Senate's resolve last week to approve a national holiday honoring the civil rights leader's birthday.

The holiday, which will fall on the third Monday in January, had already been approved overwhelmingly by the House. The Senate's 78 to 23 final vote came after a bitter last-ditch stand by North Carolina Republican Jesse Helms. Mr. Helms argued that Dr. King wasn't a fit "role model" for young Americans; among other things, he said, Dr. King had run with Marxists and had too sharply attacked United States involvement in Vietnam. At one point, Mr. Helms maintained that derogatory information about Dr. King had been discovered through wiretaps authorized when John F. Kennedy was President and Robert F. Kennedy was Attorney General. His brother Robert, Senator Edward M. Kennedy said, "would be the first person to say that (former Federal Bureau of Investigation director) J. Edgar Hoover's campaign against Martin Luther King was a shame and a blot on American history."

Separately, Mr. Helms unsuccessfully sought court approval for the release of F.B.I. investigative reports that have been sealed since 1977. President Reagan, who originally opposed the holiday, said he would still rather leave it up to the states. "But since they seem bent on making it a national holiday," he said, "I believe the symbolism of that day is important enough that I'll sign that legislation when it reaches my desk." When asked if he agreed that Dr. King had had Communist associations, Mr. Reagan replied: "Well, we'll know in about 35 years." After his comments drew criticism, the President called Dr. King's widow and "indicated he did not want his remarks misinterpreted," a White House spokesman said.

More questions about Mr. Reagan's views seemed likely after Melvin Thomson, a former Governor of New Hampshire, released portions of a letter the President had sent him responding to a letter of his own. Mr. Thomson had called Dr.

King a man "of immoral character whose associations with agents of communism is well established." Mr. Reagan replied: "I have the same reservations, but the perception of too many people is based on an image, not reality."

Chicago Schools At an Impasse

Chicago public school teachers made history instead of teaching it—or anything else—last week. In its third week, a strike by the 27,000-member Chicago Teachers Union became the longest such walkout ever for the nation's third largest school system.

The teachers, who have not had a salary increase since 1980, demanded an 11 percent raise this year and 5 percent more in 1984. After the union rejected the Board of Education's latest offer, a 2 percent raise, negotiators declared an impasse and agreed to call in a mediator. Mayor Harold Washington had urged that move to get the city's 436,000 students back to school.

The 17,000 high school seniors among them began to grow restive, fearing their graduation might be jeopardized. The Board of Education proposed to set up study centers for the seniors at seven city colleges, but the union spokesman called them "strike-breaking schools." Parents and students, meanwhile, began to move on their own. Several community groups filed a suit in Federal District Court asking that the board be ordered to reopen schools and "take whatever action is required to staff the classrooms." A group of two dozen students and parents, impatient with the lack of progress in negotiations, tried to force their way into a school board office to press their point. They submitted to arrest peacefully.

Reagan Steps Closer to '84

Ronald Reagan made it legal last week but still not official. Signing two letters, one authorizing his friend Senator Paul Laxalt to establish a campaign committee and the other informing the Federal Election Committee that the Laxalt committee is indeed "my principle campaign committee" made the President a candidate for re-election by the letter of the law. But in his first news conference since July, he added the expected qualifier. "I will put your minds all at rest, one way or the other," Mr. Reagan said, "probably before my birthday," Feb. 6.

Personally declared or no, Mr. Reagan sounded a lot like a candidate for re-election. Using the bully pulpit as a campaign stump, he swung out at former Vice President Mondale at a celebration of the 25th anniversary of the National Aeronautics and Space Administration for not supporting financing for the space shuttle program. Mr. Mondale is said to remain the White House's preferred opponent, on the ground that Senator John Glenn would be tougher to beat, though some strategists are reported to have been having second thoughts recently.

For A.T. & T., Less is Less

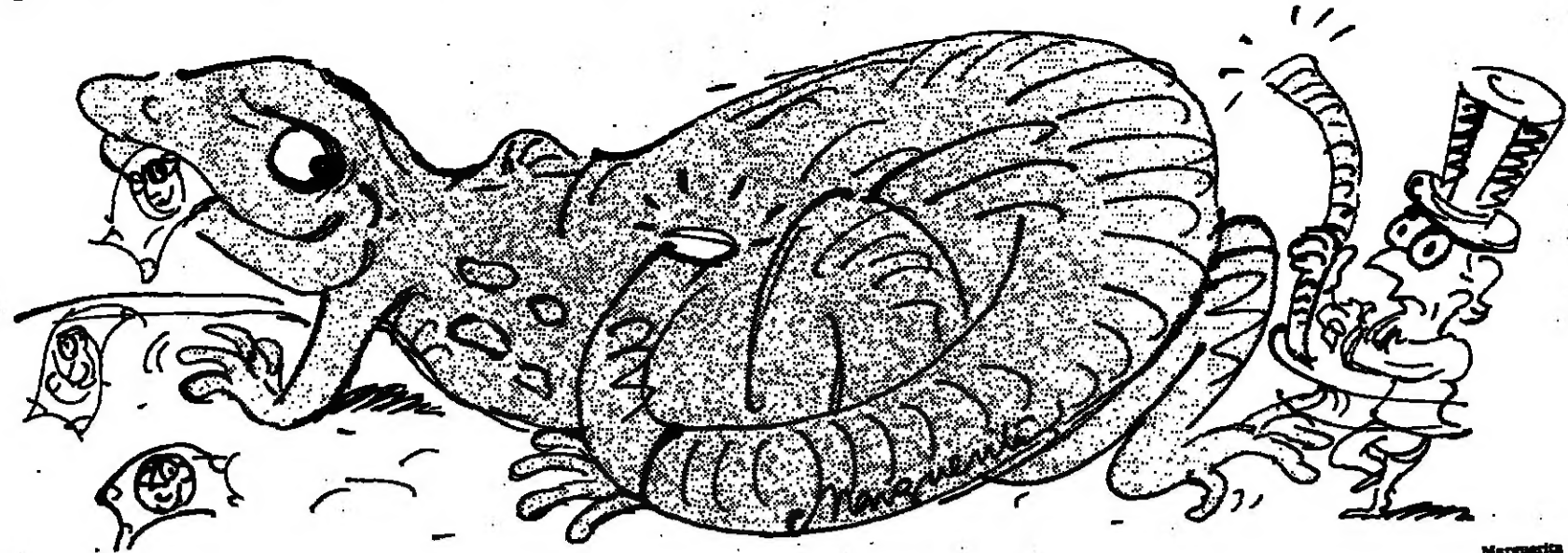
"It is generally considered more comfortable," Charles L. Brown, chairman of the American Telephone and Telegraph Company observed at a press conference last week, "to take a dog's tail off all at once, rather than an inch at a time."

Some dog, some tail. Mr. Brown's folksiness accompanied an announcement that A.T. & T., a monopoly no more after the start of the new year, would cushion its entry into the rough-and-tumble world of free enterprise by subtracting \$5.2 billion from its 1983 earnings. Much of the reduction reflects a substantially lower estimate of the value of equipment; some is due to accounting changes expected when A.T. & T.'s 22 local companies strike out on their own Jan. 1. Company executives said the write-off, believed to be the largest ever, had been discussed with the Securities and Exchange Commission. Other authorities speculated that the adjustment, which financial analysts said could make A.T. & T. appear more streamlined and thus more attractive to investors, might be subject to further study by the Internal Revenue Service.

Washington continued to take an active interest in the breakup of Ma Bell in other respects. The Federal Communications Commission delayed until at least April 3 a variety of charges due to be added to phone bills after local service ceases to be partially underwritten by the profits of A.T. & T.'s long-distance services. The agency said the postponement was prompted not by protests from consumer organizations but by the need to study the paperwork that accompanies such adjustments.

Caroline Rand Herron and Michael Wright

Taxes Considered Last Week Wouldn't Make Much of a Dent Just How Serious Are Deficit Dangers?



By EDWARD COWAN

WASHINGTON—Congress returned from Columbus Day recess last week to take up again the challenge of shrinking the Federal deficit without casting votes that would be politically risky.

As expected, the House Ways and Means Committee approved a three-year tax bill that falls \$83 billion short of the \$73 billion in new revenues the legislators declared sound fiscal policy in their budget for 1984. Meanwhile, Senator Pete V. Domenici, chairman of the Senate Budget Committee, told his chamber it must act now, not after the 1984 elections, to stem the flow of Federal red ink. And Federal Reserve Board chair-

man Paul A. Volcker testified that deficits such as the \$180 billion the White House projects for 1984 were "a major factor propping up interest rates." As for 1983, this week the Government will report that the fiscal year that ended Sept. 30 ran up a record \$196 billion gap.

Are budget deficits helpful or harmful? Is a growing national debt a burden on future generations or a stimulant to economic growth? The following questions and answers examine these economic and political issues.

Question. What is a budget deficit?

A. An excess of spending over tax receipts.

Q. How does the Treasury get the money to cover that excess?

A. It borrows, by selling Treasury securities to people and institutions with money to lend, investors. That's called deficit financing.

Q. What's bad about that?

A. That depends on whom you ask. In the 1950's, President Dwight D. Eisenhower, a Republican, said the accumulated debt—known as the national debt—was a burden on future generations. His successor, John F. Kennedy, a Democrat, warned against acceptance of traditional "myths" about deficits being harmful. Another Democratic President, Jimmy Carter, taught that deficits were inflationary. Mr. Reagan says that deficits are preferable to tax increases. In a speech this month, he accused the Democrats of using "scare tactics about deficits," then added: "Make no mistake, no one should minimize the danger of those budget deficits."

Q. What did General Eisenhower mean about deficits being a burden on the next generation?

A. He meant that the debt would have to be paid off, and that the money would have to come from taxes.

Q. Wasn't he right?

A. It doesn't look that way. Because it still is the most creditworthy borrower. Even after 21 deficits in the last 22 years, the Government is able to sell new securities to replace those that mature—plus borrow the additional cash needed to finance the current deficit. So the debt keeps growing and there is no budget surplus, which might be used to pay off some debt, in sight.

Q. Isn't the interest on the debt a burden?

A. Yes. Those payments have claimed a growing share of the budget. Interest can be regarded as taking money away from other spending—whether for education, missiles or energy research. Or as preventing tax relief. Interest, the cost of borrowing, can also be viewed as a transfer of money from taxpayers to investors.

'Crowding Out'

Q. If a bank buys a new Treasury bond, does it use money that it might otherwise lend to another borrower, say, a corporation?

A. Right. That's partly what is meant by "crowding out."

Q. But if a bank or insurance company or pension fund has money left to lend after buying Treasury securities, have other borrowers been "crowded out" of the market?

A. Some probably have. If the deficit rises and the Treasury borrows more, that additional demand for credit tends to drive up interest rates and so price some borrowers—corporations that want to expand, localities that want to build a school, individuals who want to buy a house or car—out of the market. The threat that higher rates may cripple the economy is the thought behind Representative Dan Rostenkowski's comment that projected high deficits are "the greatest ticking time bomb of the economic future."

Q. Are deficits good in any way?

A. In a recession, deficit spending may prevent further decline or help fuel a recovery. Robert Eisner, an economist at Northwestern University, argues that financing spending with bonds instead of a tax increase leaves the public feeling richer and so people will spend more.

Q. But deficits have occurred in years of prosperity. What benefits do they confer then?

A. Judging by the record, Congress has regarded deficit spending as better than the alternatives—spending less or taxing more. Or at least as less painful politically than the alternatives. As for specific benefits, it depends on what the deficits are seen as paying for. Government spending usually buys something—weapons, housing, food for the poor, loans for farmers, education, medical care, job training. There is a view, espoused by economists such as Jeff Faux, who believes in an active Government role in guiding the economy, that public spending is no less productive than private investment.

The Investment Argument

Q. What do the conservatives say?

A. Many of them believe that private investment is more productive, except perhaps for federally financed business-related research. Martin S. Feldstein, the President's chief economic adviser, says that "deficits would inevitably absorb a large fraction of domestic saving, reducing the rate of capital formation and therefore potential long-term growth."

Q. Then is the deficit issue really a variation of the argument about the role of Government?

A. In the Reagan Administration, it seems to be. "The true enemy of capital formation and economic expansion is government spending," says Treasury Secretary Donald T. Regan. He points out that the money has to be shifted from the private sector to the Government, either by taxes or borrowing.

Q. That's true, isn't it?

A. In gross terms, yes. But the statement overlooks the different economic effects of borrowing from the wealthy and taxing everybody's income. Some supply-siders say borrowing is less likely than taxing to stifle economic growth and that with stronger economic growth revenues will catch up with spending, thus erasing the deficit. The Administration argues that strategy alone will not balance the budget. Because Congress tends to let spending rise when revenues do, the Administration contends, spending cuts are necessary too; and further, raising taxes never balances the budget.

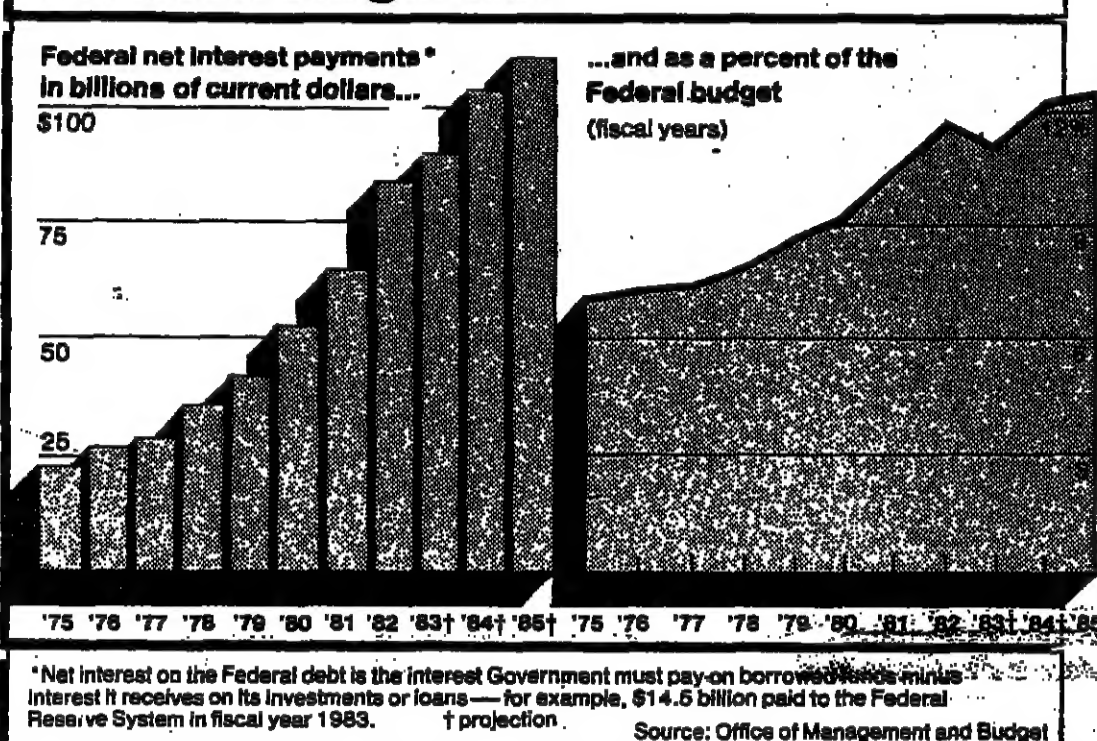
Q. Does Congress agree that the way to erase the deficit is to spend less, not to raise taxes?

A. Not as a body. Some members of both parties would like to do both. In any event, when it comes down to specifics, there seems to be no for big tax increases.

Q. And that leaves big deficits?

A. Yes, it does.

The cost of being in debt



Indictment Threat Clouds Presser's Horizon

Teamster's Tough Road

By WILLIAM SERRIN

"I think that I'm entitled to my chance to run this union," Jackie Presser said one afternoon in Washington not long ago, as he sat behind his desk deep within the gleaming marble headquarters of the International Brotherhood of Teamsters.

It is not certain Mr. Presser will get that opportunity, for, given the troubles that beset him and his union, Mr. Presser, teamsters president for six months now, sometimes seems like a trade-union job.

In September, the rank and file rejected a trucking industry concessions agreement that, Mr. Presser said, would likely have meant the recall of as many as 70,000 laid-off teamsters.

Later that month, Allen Friedman, an uncle of Mr. Presser's, was convicted in Federal court in Cleveland of embezzling \$165,000 from Mr. Presser's home local. Mr. Presser denies any wrongdoing, maintaining that he is the subject of Federal harassment, but it is possible that Mr. Presser might be indicted in what Government investigators believe is a case of payroll padding.

For years, says Mr. Presser, the union drifted under his predecessors, Frank E. Fitzsimmons and Roy L. Williams, as each faced health problems and Mr. Williams was convicted in Federal court in Chicago of bribery conspiracy charges. Last April, he resigned the presidency in an arrangement that allows him to stay out of prison while appealing his conviction.

Today, the union membership stands at 1.8 million, Mr. Presser says, down from 2.3 million a few years ago. Union dissidents say the membership could be as low as 1.5 million.

Deregulation is bringing turmoil to two industries, trucking and airlines, in which the teamsters have substantial membership; it has cost tens of thousands of jobs, Mr. Presser says. The once formidable National Master Freight Agreement, pioneered by teamster president James R. Hoffa in 1964, is in disarray, with many union freight companies refusing to abide by it. Last week, a dissident group, the 8,000-member Teamsters for a Democratic Union, condemned Mr. Presser and called for a direct election of union officers, saying that if this occurred, Mr. Presser would be out of a job.

"Jackie wouldn't have a chance," Ken Paff, a T.D.U. leader says. "Jackie wouldn't even run. Jackie could be beat by a dog." Still, it seems all

but certain that the T.D.U., which has not expanded its membership over the years, will not be successful.

In any event, it might be a mistake to underestimate Mr. Presser, a hard-working, combative man. In nearly two decades in the union, he has always been known as someone who did what he said he would do, who, in his days as a regional leader in Cleveland, could be counted on to lead successful union and civic projects. His critics call him a tough and link him to criminal elements; he always seemed to have a yearning for respectability.

If he can avoid indictment and sustain the loss of time and energy that fighting an indictment would mean, he might, given his determination and aggressiveness, do much to return strength to the union, or so many authorities believe.

Since April, when Mr. Presser was elected president by the union's top leadership, he has made a number of changes that, he says, will substantially shore up the teamsters. He has appointed Robert Holmes, a Detroit teamsters leader, as director of the Central Conference of Teamsters and believes a series of agreements with the Government will end years of investigation into the Central States Pension and Health and Welfare Funds. Mr. Presser has restructured his top staff. He has appointed Paul Locigno, an associate from Ohio, as director of government affairs; Wallace Clements, a Southern political coordinator, as political director; and Vicki Saporta, a union organizer for several years, as organizing director.

Mr. Presser has strengthened the union's research and lobbying and is proud of the teamsters' computer network, the Titan System, that allows instant communication throughout the far-flung organization. He and other top leaders have made numerous trips to Capitol Hill, caty-corner from the teamsters headquarters, to testify on legislation.

This fall Mr. Presser made a bold move, asking the International Typographical Union to merge with his teamsters. This created a vexing situation for the American Federation of Labor-Congress of Industrial Organizations, from which the teamsters were expelled in 1957 after union leaders refused to testify in Congress on corruption charges. Mr. Presser said several other federation unions were potential merger candidates. Lane Kirkland, A.F.L.-C.I.O. president, has said the printers would be severed from the federation if they joined the teamsters, but merger talks continue.



Paul Cooklin Jackie Presser

The Doves Capture Control of Trade

Shultz and Baldrige gain strength in East-West matters, as Clark leaves White House.

By CLYDE H. FARNSWORTH

ON Oct. 13, President Reagan joined Washington by nominating his National Security Adviser and longtime confidant, William P. Clark, to the suddenly vacant post of Interior Secretary. The President stressed, and aides confirmed, that his friend and adviser had requested the transfer from his august position at the White House.

In a less widely noted move on the same day, Lawrence J. Brady said he was leaving his post as Assistant Secretary of Commerce for Trade Administration, for personal and financial reasons.

The two events, seemingly so different, were in fact intimately linked, Washington insiders say. For Mr. Clark and Mr. Brady have been two of the Reagan Administration's hardest of hard-liners on East-West issues. From their key posts in the White House and Commerce Department, the two hawks — along with their ally, Defense Secretary Caspar W. Weinberger — had fought fiercely in recent months for tighter curbs on trade with the Soviet Union.

Their opposition, also formidable, was led by Secretary of State George P. Shultz and Commerce Secretary Malcolm Baldrige, who had argued vigorously for restraint and consistency in American dealings with Moscow.

The real significance of the shifts by Mr. Clark and Mr. Brady, say those close to the event, is that the Administration's trade hawks have lost their former primacy within the President's councils — signaling changes to come in United States trade dealings with the Eastern bloc.

Aides say this dilution of hard-line sentiment is further underscored by the appointment of Robert C. McFarlane — a "centrist" — as Mr. Clark's successor at the National Security Council.

"It's the pragmatists over the hard-liners," said Edward A. Hewett, a senior fellow at the Brookings Institution. "My guess is that what's going to happen is that the Government will play a more neutral role in trade and that we will only prevent the export of those commodities that could endanger national security."

Marshall I. Goldman, Associate Director of the Russian Research Center at Harvard, confirmed the potential importance of the hawks' apparent defeat in Washington: "The hawks have lost a very significant pair of allies" in Mr. Clark and Mr. Brady.

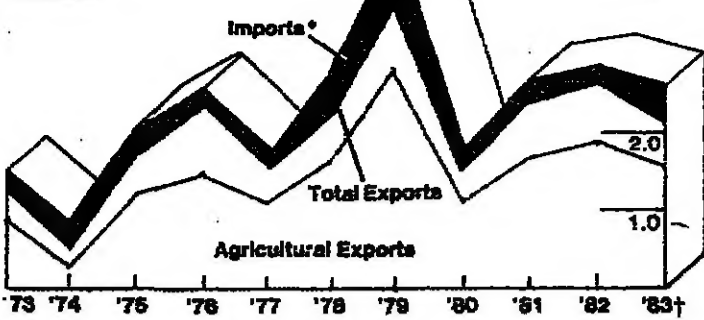
"Now all the opposition to trade with the Soviets is concentrated in the Defense Department," he said. "That makes the businessman's chances" for improving trade with Moscow "that much stronger."

Professor Goldman, who was a Soviet affairs adviser in the Carter Administration, added that President Reagan's measured response to Russia's shooting down of a Korean jetliner is another indication of the moderates' new domination of his circle of advisers.

Trade With Russia

A One-Sided Flow

U.S. imports of Russian goods and exports to the Soviet Union in billions



*Excludes imports of gold bullion †Annual rate based on six-month data

For Food and Heavy Equipment

A breakdown of 1982 U.S. trade with Russia, in millions

Exports	Imports
Corn \$219	Ammonia \$89
Wheat 802	Palladium 25
Superphosphoric acid 268	Nickel 12
Soybeans 171	Urea 10
Track-laying tractors and parts 77	Gasoline 10
Pressure-sensitive tape 38	Uranium fluorides 10
Petroleum coke 34	Vodka 7
Copper ore 34	Sable fur skins 7
Insulating or transformer oils 28	Metal coke 8
Boring and drilling equipment parts 20	Potassium chloride 5

Source: Department of Commerce

"The President's instinctive reaction after the plane was shot down was probably to bring trade between the two countries to a screeching halt, and I'm really surprised that he

didn't," he said. "It shows that he's reacting as a diplomat."

Indeed, it is clear now that the President was under enormous pressure from several quarters, including

Why Yoram Aridor's Policies Failed

By DAVID KOCHAV

THE resignation of Yoram Aridor as Israel's Finance Minister last week concluded a three-year experiment in an economic policy that ran into difficulty. And it provides lessons outside Israel on what not to do when dealing with rapid inflation and balance of payments deficits.

Mr. Aridor's policy must be analyzed against the background of the Israeli economy, which has faced two dominant problems in recent years — triple-digit inflation since 1979 and a trade deficit of some \$4 billion, or 20 percent of its gross national product. Behind these problems lie two structural factors — an inordinately high level of public-sector spending, and a highly developed system of indexation.

Heavy Government spending reflects exceptionally high defense expenditures that account for 30 percent of the country's budget, while debt servicing takes 33 percent and social welfare payments and subsidies make up much of the balance.

Tax rates in Israel are already high, but not sufficient to cover the Government's outlays. The shortfall, the deficit, is covered by Central Bank borrowings — i.e., the printing press. This pumps more money into the economy, which in turn stimulates demand and pushes up prices. The process is accelerated through indexation. Wages are adjusted automatically every quarter for price changes, and any shortfall tends to be made up in periodic wage negotiations. Moreover, financial instruments are widely linked to the Consumer Price Index or to the United States dollar so that inflation cannot significantly erode them.

The classic economic policy instruments for combatting a balance of payments deficit and high inflation are cuts in public spending, devaluation at a higher rate than inflation and an incomes policy to establish an agreed basis for moderating the rise in wages and profits. These are bitter remedies and require, at least tempo-



David G. Klein

rary, a cut in the level of economic activity. They arouse conflict with powerful interest groups and tend to focus popular dissatisfaction on the Finance Minister — an unattractive prospect for any politician.

But Yoram Aridor used a totally different policy mix as Finance Minister. He was appointed in early 1981, following the resignation of Yigal Horowitz, a minister whose favorite phrase was "I don't have it," and who continually preached the harsh message of the need for austerity if the payments deficit were to be cut. By contrast, Mr. Aridor sought to fulfill Prime Minister Menachem Begin's injunction to his ministers that they "be kind to the people."

WHEN Mr. Aridor was Minister of Communications for a brief period, his first step was to halt the broadcasting authority from filtering the color out of imported television programs. The impetus this gave to consumer demand for color televisions was a portent of the future. Early in his tenure at the Finance Ministry, Mr. Aridor cut taxes on color television sets and small cars. Buying exploded, and it is "thanks to Aridor" that most Israelis own a color television and not a few own a second car. Mr. Aridor's Likud Party won a 48-seat plurality in the November 1981 elections, and analysts attribute three or four seats to his policies.

Political success enabled the Finance Minister to press his new economic approach. While his predecessor had focused on the need to reduce the trade deficit, Mr. Aridor claimed that the struggle with inflation should

take priority at that stage. He sought to bring the rate down from 133 percent in 1980 to between 80 and 90 percent in 1981, and further thereafter.

Addressing the Israeli Economic Association in 1982, Mr. Aridor presented his theories on the causes of Israel's high inflation and its cure. He emphasized the importance of expectations in accelerating inflation. Were it possible to convince the public that inflation was slowing, it would indeed do so.

In order to put across the message that inflation was decelerating, Mr. Aridor sought to influence two factors that are more or less under the Government's control. First, he held down the monthly increase on price-controlled products, providing costly subsidies to make this possible. The products, including bread, meat, eggs, dairy products, electricity, water and cigarettes, make up about one-quarter of the Israeli C.P.I. Second, he held devaluations to about 5 percent a month. Since imports are a major component of the Israeli C.P.I., the rise in subsidies pushed up the Government's deficit, while the curb on exchange rate changes reduced international competitiveness, leading to a surge in imports and stagnation in export growth.

In spite of his policies, inflation reached 130 percent in 1982. In the end, a burgeoning deficit forced a cut in subsidies, and a civilian import surplus (excluding defense imports) of \$4 billion, up from \$2.2 billion in 1981, represented a parallel failure in the exchange rate policy. At the root of the failure was the lack of firm action on Government expenditures. The Begin Government was not strong enough to take the decisive ac-

tion needed in the face of coalition and departmental special interests.

MR. Aridor was right in blaming part of the inflationary process on expectations. But he still did not succeed in moderating them. It became obvious to the public that the steps taken against inflation were weak, unsustainable and ineffective. The slowdown in exchange rate adjustments created strong expectations that there would be a major devaluation. And mid-1983 saw an accelerating move from shekel-denominated to foreign-currency-denominated financial assets. The move affected bank shares, which had long been the staple asset in Israelis' portfolios because the banks frequently intervened on the stock exchange to support the price of their shares.

With bank stock coming under pressure, the Government agreed to support them on the condition that the banks halt their own intervention. Consequently, the Tel Aviv Stock Exchange was shut while details of the arrangement were negotiated. Continuing demand for foreign currency led to a number of sharp steps authorized in an all-night meeting of the new Shamir Cabinet. The currency was devalued 23 percent, and controlled prices raised 30 percent. However, the budget remained as yet largely intact, threatening to quickly neutralize the benefit of the devaluation.

The coup de grace to Mr. Aridor's career as Finance Minister came with the leakage of a plan to link Israel's entire economic system to the dollar, in an attempt to stop the printing of money to finance the deficit. The plan, reminiscent of the gold standard, aroused very strong opposition both for its economic implications and its renunciation of sovereignty in economic management. Within hours of its leakage Yoram Aridor had resigned.

The lesson of the Aridor experiment is that there are no economic panaceas or gimmicks. Rapid inflation cannot long be stemmed by higher imports and subsidies. Israel's new Finance Minister — Yigal Cohen-Orad — will have to use the classic disinflationary armory of budgetary cuts, real devaluation, limitation of indexation and agreed incomes policy. These are harsher remedies than Mr. Aridor presented, but they are the only effective ones available.

a faction led by Mr. Clark, to take a tough stance in the wake of the plane tragedy. According to one aide who asked to remain anonymous, Mr. Clark's ally, Mr. Brady, said at a policy meeting soon after the crash that, "We must strike while the iron is hot." The effort was headed off by Mr. Shultz and Mr. Baldrige, however.

Despite the apparent victory won by the trade moderates, Administration officials and outside analysts caution against expecting any sudden surge in trade with Moscow.

"At this point, for political reasons, it just isn't the time," said Brookings' Mr. Hewett. "What the pragmatists say is: 'At least let's stop the restrictions and let trade take its course.'"

That course so far has proved to be rather unimportant in dollar terms. Despite the intensity of the trade debate in Ronald Reagan's Washington, and despite business's frequent complaints about the Government's use of trade sanctions against the Russians, the value of American exports to Russia amounts to little more than 1 percent of the nation's total exports.

Exports, which peaked at \$3.6 billion in 1979, fell to \$2.6 billion last year with grain, at \$1.8 billion, the biggest component. The nation's total exports were valued at \$212 billion in 1982.

Similarly, imports from Moscow — chiefly vodka and such raw materials as ammonia, urea, palladium and nickel — were valued at only \$225 million last year, or less than one-tenth of 1 percent of the nation's total imports of \$247 billion.

While relatively unimportant in dollar terms, however, the Soviet trade issue has assumed profound importance in Washington, where ideological battles between moderate and more conservative Republicans have become commonplace in policy deliberations. A cornerstone of the President's campaign in 1979 was a promise to get tough with the Russians — a promise with trade as well as defense overtones.

"There are theological positions on both sides," says Gary C. Hufbauer, senior fellow of the Institute for International Economics. "To the hawks any trade helps the Russians and zero is already too much. To the doves, trade leads politics, and more trade will improve relations."

Thus, many officials here see the dispute leading to Mr. Clark's departure as a basic theological rift between old-guard hardliners and more business-oriented newcomers and pragmatists, led by Mr. Shultz at the State Department. It took on a new intensity, however, following the disclosure that the Russian fighter had shot down the Korean jetliner on Sept. 1.

The incident, the hawks felt, was the opportunity they had been waiting for to engineer a takeover of East-West trade policy from the course set earlier by Mr. Shultz and Mr. Baldrige.

According to officials close to the dispute, the confrontation between Mr. Clark and the two Cabinet secretaries was precipitated by a set of recommendations that came out of a meeting Sept. 13 of the interagency Advisory Committee on Export Policy, a panel headed by Mr. Brady at Commerce. The proposals would have had the effect of denying the Russians 17 types of oil and gas equipment for use on a giant new oil field in the Barents Sea.

Then, in a letter to Mr. Shultz and Mr. Baldrige dated Sept. 19, Mr. Clark endorsed the proposals.

In a telephone conference on Sept. 22, according to a senior trade official who asked not to be identified, Mr. Shultz and Mr. Baldrige decided that

such an action would only trigger a new trade crisis with the allies similar to the controversy in 1982 over sanctions aimed at blocking a Siberian pipeline to Western Europe.

There, too, the United States had sought to pressure the allies into denying pipeline equipment. The allies balked. Instead of punishing the Russians, the United States triggered a major crisis in the Atlantic Alliance. The Russians got the equipment anyway and completed the pipeline ahead of schedule.

After painstaking negotiations Mr. Shultz repaired the breach last November. He was described as "furious" at the new effort to impose restrictions unilaterally because it would undo everything he had achieved.

Against this backdrop, said one aide, the Clark letter landed "like a grenade in the chicken coop." Throughout much of the bureaucracy, Mr. Clark's intervention was seen as reinforcing the reputation that had dogged the California rancher and Presidential confidant over the past three years — that he was out of his depth in foreign policy.

"When he signed that document, he put his finger in the cotton gin," said the senior trade official who provided the account on condition that he remain anonymous. Mr. Clark's defeat also sealed the fate of Mr. Brady, the Assistant Secretary at Commerce.

Favored to succeed Mr. Brady is Wendell W. Gunn, a Special Assistant to the President for policy development and an alumnus of the Chase Manhattan Bank and PepsiCo, both long identified as favoring nonstrategic trade with the Russians.

Mr. Brady's successor will have the task of expanding the nation's minuscule trade with Moscow while balancing its strategic interests. For some companies involved and some industries, his actions could be critical.

For example, before the Carter Administration imposed export controls on Moscow in 1978 for jailing dissidents, the Caterpillar Tractor Company claimed an 85 percent share of the Soviet market for pipelayers, tractors with special hoists that place oil and gas pipelines into trenches. That share helped it dominate the world market in pipelayers and these exports were worth between \$50 million and \$100 million a year, the company says, or about 1 percent of total revenues.

Caterpillar's share has since fallen to 15 percent of the market, while the share of its principal competitor, Japan's Komatsu Ltd., has risen to 85 percent. The Soviet business has also put Komatsu into a stronger position to challenge Caterpillar's world leadership.

The Soviet market is also a major concern of American farmers. Under the new long-term grain agreement signed earlier this year, Moscow has agreed to take at least 9 million tons a year and up to 12 million tons valued at about \$1.8 billion — or about 10 percent of total United States grain exports of 100 million tons. The most the Russians have ever bought in one year is 15 million tons.

For most companies, even Caterpillar, Soviet exports are marginal business. "But over time it's significant, and we want to be able to compete," said Stephen E. Newhouse, a Caterpillar spokesman. In a recession, he pointed out, even marginal business is important.

Soviet trade is much more important to Europe than it is to the United States. Last year, for example, Russia and Eastern Europe bought nearly 10 percent of West Germany's exports — or roughly \$12 billion worth — making that trade a major factor in the German economy.

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED OCTOBER 21, 1983

(Consolidated)

Company Sales Last Net Chg

ATT 13,548,200 62% - 2%

Digital 12,574,700 67% - 30%

Gulf Oil 9,127,800 46% - 1%

IBM 7,643,000 127 - 4%

Heckl 7,440,300 37 - 6%

Mer Ly 6,490,400 29% - 4%

A Exp 5,567,600 33% - 4%

Cin GE 4,824,900 13% - 4%

Citicorp 4,687,800 31 - 3%

Dayt PL 4,014,300 14% - %

G Mot 3,949,000 77% - %

Arch Dn 3,919,000 23% + %

Exxon 3,897,800 38% - %

Rals Pur 3,869,200 25% - 1%

Chrysler 3,557,300 29% - 1%

MARKET DIARY

Advances 652 769

Declines 1,326 1,211

Total Issues 2,209 2,210

New Highs 125 147

New Lows 69 35

VOLUME

(4 P.M. New York Close)

Total Sales 454,274,640 17,438,801,402

Same Per. 1982 506,928,410 12,502,854,198

WEEK'S MARKET AVERAGES

High Low Last Change

New York Stock Exchange

Indust 115.3 111.1 111.6 -2.89

Transp 97.0 94.7 95.7 +0.57

Utilities 48.9 47.8 48.4 -0.29

Finance 96.0 91.9 92.3 -3.86

Composite 98.5 95.3 95.7 -2.28

Standard & Poor's

400 Indust 194.2 185.0 187.0 -4.74

20 Transp 31.8 30.7 31.4 +0.41

40 Utilities 69.8 67.8 69.3 +0.93

40 Financial 18.5 17.3 17.6 -1.11

500 Stocks 171.9 164.1 165.9 -3.91

Dow Jones

30 Indust 1278.8 1229.3 1248.8 -14.54

20 Transp 600.8 575.6 590.3 +9.75

15 Utilities 139.6 135.2 138.8 +1.44

65 Comb 510.5 492.3 502.0 -0.06

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED OCTOBER 21, 1983

(Consolidated)

Company Sales Last Net Chg

WangB 3,101,700 31% 4%

TIE 2,248,000 25% - 5%

ImpC 1,886,800 8% - %

DomeP 776,400 113/16 -3/16

MchGn 531,400 12% - %

PopeE 520,200 9% - %

Amhdi 470,600 18 - 1

DetPd 462,200 28% - 2%

AMBld 443,200 3% - 1%

Tchcm 442,200 10% 1%

MARKET DIARY

Advances 191 296

Declines 613 519

Total Issues 923 928

New Highs 27 45

New Lows 27 28

VOLUME

(4 P.M. New York Close)

Total Sales 36,058,930 1,763,084,974

Same Per. 1982 44,620,745 959,342,910

WEEK IN BUSINESS

What Gulf Oil feared most happened last week. T. Boone Pickens Jr., dubbed the "wolf" of Wall Street by a Gulf spokesman, said that he and a group of investors had bought 14.5 million Gulf shares, or 8.75 percent of the company, and that they had commitments to buy up to 15 percent of the company's shares for a total investment of \$1.1 billion. The Pickens group, which includes the Belzberg family from Canada, told the S.E.C. that its purpose was to increase the value of Gulf stock. It recommended the company either split into a number of parts or, particularly, place its key oil and gas properties in a royalty trust, which would give shareholders a direct interest in the assets and avoid double taxation. Gulf has reportedly lined up \$4 billion in bank credits and is expected to fight Mr. Pickens fiercely. Mr. Pickens, like-

other banks, which withdrew their lines of credit to Mr. Pickens.

Even the No. 2 computer company is struggling to compete with I.B.M. in personal computers. Digital Equipment said that poor shipments of its personal computer slashed its quarterly profits by as much as 75 percent to an estimated 25 to 35 cents a share, compared with \$1.02 last year. On that news the stock lost some 20 percent of its value, falling to \$79.25 from more than \$100 a share. Surprised analysts noted that only a week earlier Digital had indicated that profits would be about the same as last year.

I.B.M. dealt another blow to the myriad of companies trying to hold onto their slices of the personal computer market by introducing two powerful personal computers. One model, the 3270, which displays seven separate types of information on the screen at once, will be a major threat

to Apple's Lisa. The second model, the P.C. XT/370 is so named because it can run the same programs as I.B.M.'s huge 370 mainframe computers. "If you were going to buy a Digital machine or an Apple, I.B.M. just gave you a hundred reasons not to," one analyst said.

The stock market could not continue its upward momentum, still perplexed by the direction of interest rates. The Dow Jones industrial average lost 14.85 point in the week closing at 1,248.88. Interest rates fluctuated within a narrow range until the Federal Reserve reported an unexpected \$2.4 billion jump in the money supply, after which rates moved higher. The Government's 30-year bond closed the week yielding about 11.61 percent, while three-month Treasury bills stood at 8.61 percent.

Accolades for those economists who predicted that the Government's "flash" report of a 7 percent third

quarter growth was too low. The Commerce Department said the economy grew at an inflation-adjusted annual rate of 7.9 percent in the third quarter and that the output of goods and services set a new high for the first time in two years. The rise followed an even stronger 9.7 percent second quarter. Other favorable economic news confirmed the growth numbers. Personal income rose nine-tenths of 1 percent in September and factories operated at a 78.1 percent rate of capacity, up from a 77.1 percent level in August. One negative sign was a 13.4 percent drop in housing starts in September.

The F.T.C. warned Toyota that its participation in a \$300 million joint venture with General Motors to build subcompact cars in California was in jeopardy because the No. 1 Japanese car maker had not provided sufficient financial data.

Nathaniel C. Nash

WASHINGTON

Reagan on Subversion

By James Reston

WASHINGTON, Oct. 22 — In his most recent news conference — his first in three months — President Reagan defended his resorting to subversive warfare in Central America, and the necessity of keeping such covert military actions secret.

"I do believe," he said, "in the right of a country, when it believes that its interests are best served, to practice covert activity."

Mr. Reagan has a way of saying what he truly believes in news conferences, which may be why he has so few of them. For when he asserts that he believes in the right of a country to engage in subversive warfare when it thinks its national interests are "best served," there is a problem.

This is precisely what the Russians believe. They believe that their national interests are "best served" by practicing "covert activity" in Central America, Angola, Syria, the Horn of Africa, Europe, Southeast Asia and many other places, including the U.S. It is also precisely what President Reagan has been condemning them for doing, which puts him in the awkward position of claiming the "right" to do what he denies to his adversaries.

The odd thing about this is that Leonid M. Zamyatin, who runs Moscow's life factory, will be delighted, for dictators are much better at subversive warfare than are democracies.

They live by secrecy. They control all communications. Pravda and Izvestia never question their masters, even when they shoot down civilian airplanes.

Yuri Andropov, unlike Mr. Reagan, has no Congress or Tip O'Neill to cut off funds, say, to Castro in Cuba or Soviet troops in Afghanistan, or to ask why he's spending so many rubles on missiles when hungry people have no food to eat. Subversion is an unequal game.

Obviously, the United States has to play it from time to time, and as the President pointed out the other night, it has been doing so ever since the beginning of the Republic.

For example, General Washington subverted the German Hessians who were fighting with the British during our War of Independence by offering them land and freedom in Virginia if they would throw away their guns.

He set them up in Fauquier County, where they lived for generations with

their own laws, churches and taxes in what was called the Free State of Virginia.

I know a little about this because my wife and I have had a log cabin in the Free State for 40 years. Though the Hessians are now gone, the stock having run out through intermarriage, this first experiment in subversive warfare paid off fairly well.

Yet, it's not at all clear in this different day and age that democracies, and especially America, can or should try to compete with the Russians on the low level of subversive warfare.

We have our C.I.A. spooks all over Central America, our warships off the coast of Nicaragua. We are not trying to overthrow the governments

the Reagan Administration says it doesn't like there, but everybody knows that is precisely what we are trying to do by subversive warfare.

This is why the House of Representatives here has voted to cut off funds for the Nicaraguan rebels. There is a revolt in the House against the Reagan Administration's subversive warfare in Central America, for a majority of the House, right or wrong, simply doesn't believe this C.I.A. subversive operation is right or is working.

In back of this vote against the Administration is clearly a feeling that the Administration is not telling the truth, and is engaged in an operation that is violating the treaty commitments of the United States not to use

or threaten force to achieve its political objectives. In short, the House rejects the President's principle that it is "the right of a country, when it believes that its interests are best served, to practice covert activity."

What if everybody acted on this idea? Why should the United States support this vicious notion, so central to Soviet policy? And why did President Reagan defend the right of nations to do anything they pleased if their own interests were at stake?

The answer around here is that he didn't mean that his principle should be applied to the Russians but only to ourselves, and otherwise, he

didn't think about it at all. That's the way it is with the President. He wants to get government off our backs, but intends to shove a gag law down the throats of Government employees.

He says he'll agree to a Martin Luther King Day, but when he's asked whether Dr. King was a Communist sympathizer, says, "We'll know in about 35 years, won't we?"

Every day is a new performance. Every statement stands alone. There are no connecting rods between one light-hearted pronouncement and the other. This is why his staff recommends that he stay out of news conferences as much as possible.

The Song of High Watt

By Felicia Lampert

"Buy the shores of Gitchie Gumees,
Buy the shining offshore leases,
Buy the shining mining leases,
Giving me the credit due me,
And you'll be as rich as Croesus,
Richer far than old King Croesus.
Though the Congress may beshrew me,
Pick my policies to pieces,
Reagan's will is working through me,
Not to mention Edwin Meese's."

Thus spake Watt in his ascendance,
Pillar of Conservatism,
Glowing with a great splendence,
Till he brewed a mess of pottage
That created massive schism,
Dimmed his incandescent wattage
Even in the Great White Cottage,
Spreading through the Great White Cottage,
Instant Oval Roomatism.

Therupon Watt drew dismissal,
Drew dismissal unexpected
When the Wise Men blew the whistle:
Reagan must be re-elected.

Overnight, in public parklands,
James G. Watt was superceded:
Parks became the William Clark Lands.
Though Ron's Confidential Clark stands
Unequipped, no whit impeded
By experience... none's needed.
He can do as he indeed did
In the job where he's been working:
Just keep Reagan's kettle perking.

Faced with need to find replacement,
Fill the chair Clark sat so still in,
Reagan, standing at his easement,
Sought a substitute to fill in,
One less prone to lead than follow,
One his Cabinet could swallow.

Jeane Kirkpatrick, willing, eager,
And prepared to wear the garland
As a Reagan major leaguer
Found that gratitude was meager
When the garland was MacFarlaned.

Having pulled this double shuffle,
Reagan, ever tender-hearted,
May think back to where it started,
Back to Watt and how it started,
Feel with guilt he cannot muffle
That Watt suffered in the scuffle—
Conscience bears such heavy duffel!

Doubtless Reagan soon will see a
Tidy and uncomplicated
And befitting panacea
That would leave Watt's pride placated:
Choose Jim Watt, with flat'ring unction,
For the Midwest envoy function
That MacFarlane has vacated.
Watt, bemused with the idea,
Shifts from Stetson to kaffiyeh.

Felicia Lampert, a Cambridge, Mass., poet who teaches expository writing at Harvard University, is author of the forthcoming "Political Plumlines."

Industrial 'Policy'

By Daniel Sharp

STAMFORD, Conn. — There is a lot of argument these days about whether or not the United States should experiment with a national industrial policy. In fact, we already have such a policy — and have had one for most of the nation's life. Why not, then, have a coherent and competitive one? As a businessman, I feel that business and labor must do more to participate with the Government in developing such a policy.

What America has is not a coherent policy. It is a ragtag collection of laws, regulations, tax, tariffs, subsidies and practices that are often contradictory and counterproductive. In a sense, however, they constitute a de facto industrial policy: They involve widespread Government interference in the "free market" and, together, do much to determine the international competitiveness of American industry.

What are some of these regulations? The Federal Government supports agriculture with \$22 billion in subsidies and \$10 billion to \$15 billion for the Payment in Kind program. Another \$10 billion to \$20 billion goes to subsidize home ownership — and, thus, the housing industry. The production of steel, autos, textiles and large motorcycles also gets special attention or protection, as does the shipping industry. These billions of dollars often help to protect jobs and to bolster specific industries but they rarely boost the country's international competitiveness or protect American consumers and taxpayers.

Even those industries that do benefit are often pulled and pushed in many different directions by contradictory Government policies. Consider agriculture. We are the world's largest and most productive agricultural exporter. Yet we have no national strategy to protect our farmland and fresh water supply, and intermittently we embargo agricultural export sales. We are prevented by law from selling Alaskan oil to Japan, even though it might offset \$2 billion to \$3 billion a year of our trade deficit with Japan.

In other instances, Government "investment" simply does not accomplish what is intended. Education is perhaps the saddest example. De-

Daniel A. Sharp is an executive of a large multinational corporation.

spite enormous sums spent to create public school systems and subsidize private ones, we produce fewer engineers and scientists than Japan, which has half our population.

Nor are our macro-economic policies — exchange rates, interest rates, decisions affecting the size of national deficits and money supply, trade and payments balances — as effective as they might be. Why? Largely because they are often determined by short-term needs and domestic political pressures rather than consideration of our long-term competitiveness.

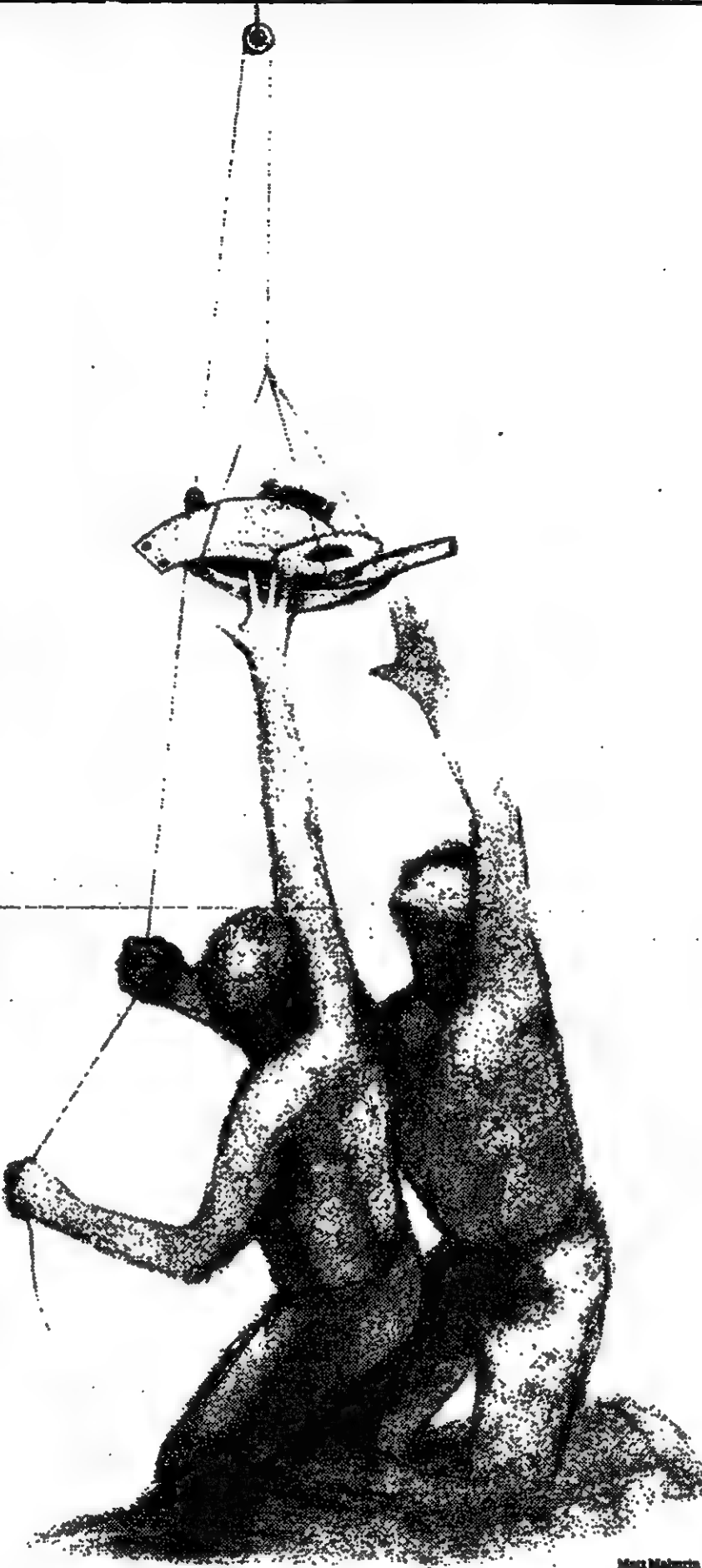
The Government supports 50 percent of the country's research and development. Yet most of this money goes to defense-related products, and R. & D. strategy is not coordinated with other aspects of our industrial policy.

In many ways, the Government is part of the problem. Some of this is due to disorganization: Federal agencies overlap and contradict each other and there is little coherent guidance. The Government also has created impediments to our international competitiveness. Export controls and embargoes on such American products as pipeline equipment, high-tech products and grain often help create the impression that America is an unreliable supplier. The Foreign Corrupt Practices Act and antitrust restraints — though perhaps laudable in their aims — can be counterproductive.

As a taxpayer, I am concerned about Government profligacy. As a businessman, I am distressed at the inefficiency of widespread intervention that so often helps to preserve a declining past at the expense of a more competitive future. Obviously, some of our older industries are essential and must be maintained. But I am personally angry that our Government supports these increasingly uncompetitive industries without requiring them to restructure, retrain and adapt to international markets.

An ideal industrial policy might mean less — not more — Government involvement. Certainly, the Government should not be trying to decide unilaterally which of our industries are "winners" and which are "losers." Reshaping our policy to make it more coherent might mean removing Government-created obstacles to competitiveness. It might also mean less Federal spending — but more money better spent on infrastructure, industrial R. & D., training, retraining and incentives to save and invest.

No industrial policy can work without the active involvement of the business community. We in business often assume that we will be the victims of such a policy. We may well be if we refuse to participate. Only if we join in, can we hope to be among the beneficiaries — along with labor and the rest of the American people.



Pensées

By Raymond Aron

or physics. But nor does it offer merely opinion. Pluralism justifies itself by the falseness of the beliefs that oppose it. The Iranian Shiites and the Marxist-Leninists belong to the same family: The Shiites want to dominate civil society just as the Soviet Communist Party does.

The Westerner's advantage is that he knows the difference between scientific truths — as provisional as they are — and religious beliefs. He can question his own ideas, aware that our culture is, in many respects, one among many. The refusal to doubt may strengthen a fighter's ardor, but it also excludes the possibility of making peace. The Ayatollah Khomeini and the Marxist-Leninists remind us that "faith in action" can only take us back to the era of the Crusades. For us, Europeans and Westerners, the creation of the Marxist-Leninist state signifies more than a regression: It is an abdication. The West cannot live — cannot survive — except by pluralism.

Yet, when I look ahead, I see little reason for optimism. The Europeans are committing demographic suicide. Generations that are not reproducing themselves are doomed to get older under the shadow of a spirit of abdication — of the "fin de siècle." The democratic-liberal synthesis and the mixed economy are threatened — and probably will be until the end of the century — by slowed growth, inflation, monetary disorder and the percentage of the national product given over to social welfare programs.

The United States has lost its military superiority. The Soviet Union is accumulating arms, first to intimidate but also to intervene if the occa-

sion presents itself. The American political elite — the East Coast establishment that has inspired and directed diplomacy for a quarter of a century — has committed suicide. Responsible for the war in Vietnam, it put the blame on Richard Nixon. Presidents Jimmy Carter and Ronald Reagan oscillate from one extreme to the other. The foreign policy consensus has disappeared. The country is not rich enough to pay for both social legislation and rearmament. It keeps its scientific pre-eminence and its unequalled productive capacity, but it is no longer comprehensible to either its enemies or its friends.

In Europe, West Germany — which today more than ever is the keystone of the Atlantic alliance — seems shaken. Located on the front line, next to the Soviet empire, it wants to keep an American army on its territory without irritating the men in the Kremlin. The pacifism of millions of West Germans limits the Government's ability to make decisions: Is it a legitimate fear of horrible weapons or a rejection of the partition that the German people accept less and less willingly? Whether he is socialist or conservative, the Chancellor in Bonn looks toward both the Eastern menace and the Western protector. In which direction will he finally go?

If I abandoned myself to my black moods, I would say that all the ideas and all the dreams for which I have fought seem most threatened now at just the moment when others are admitting that perhaps I was not wrong in my struggle. But I do not want to give in to discouragement. If the governments I have defended can remain free, they will be a source of unsuspected riches. We will continue to live for a long time under the shadow of the nuclear apocalypse, caught between the fear inspired by monstrous armies and the hope awakened by the miracles of science.

WASHINGTON, Oct. 22 — During Mr. Reagan's autumn press conference (we're down to one a season now), the answer that revealed a snail's pace flow of paper into the Oval Office had to do with a recommendation for missile defense in outer space.

"Nothing has actually been presented to me as yet," the President said. "I'm fascinated with reading all about it, but I haven't seen it..."

Two weeks ago, a senior inter-agency group consisting of the national security adviser, the Secretary of Defense and a couple of other guys sent a report to the President that obviously never made it to his Camp David briefcase.

"X-ray lasers, chemical, excimer and free electron lasers, particle beams and kinetic energy hit-to-kill devices," the report concluded, "all have high potential for boost-phase intercepts."

I can just hear Mike Deaver saying to Dick Darman, "We're not going to bother the President's head with that kind of stuff." In this case, however, they may have underestimated their boss's level of interest.

At the 1980 Republican convention, candidate Reagan approved an item in the platform that Senator Malcolm Wallop of Wyoming had been lobbying for: an "active defense," with outer-space lasers in mind. On March 23, 1983, the President — pretty much on his own — inserted a couple of paragraphs in a speech daring to suggest a departure from the generation-old theory of nuclear defense known as "mutual assured destruction."

In his speech, which was promptly dubbed "Star Wars" and ridiculed by the arms control establishment, the President called for a study of weapons that would destroy missiles when they were launched — in the "boost phase" — rather than rely on the threat of a retaliatory attack. Said Mr. Reagan: "Better to

ESSAY

Boost Phase Intercept?

By William Safire

save lives than to avenge them."

For the last six months, his Administration has been straining to come up with a "bridging document" to plan the construction of space-to-space weapons. The C.I.A. has estimated that the Soviet Union will have a laser-beam satellite in place within four years. Such weapons do not violate existing treaties (though that would scarcely trouble Moscow) because they are not "weapons of mass destruction" — just the opposite, they destroy such weapons.

The internal debate has been between those who want to begin systems integration soon, so as to have an operational test within a decade, and those who want to wait until sometime in the next millennium when lasers can be developed that would be able to blast missiles that are 75 times "harder" than any we have in our arsenal today.

The let's-get-started crowd emphasizes chemical lasers, for which we have the technology now; but the "R & D forever" crowd wants lasers with shorter wavelength beams that could really zap 'em someday, if someday comes before Doomsday. Within the Administration, most of the former opponents of an active defense are in the "R & D forever" set, demanding delay

until lasers are available with a zap-page accuracy of 399 out of 400 shots.

In the report, which seems to be stuck in the White House interoffice mail and which the President could read by picking up the current issue of Aviation Week, the tilt is toward starving present technology in favor of feeding future technology. What little support is given chemical laser development came at the urging of William Clark and his resident National Security Council expert, Col. Gilbert Rye.

Now that Mr. Clark is being put out to pasture, Robert McFarlane, his replacement at the N.S.C., is likely to put this project under his protégé, Ron Lehman, who is said by hawks to be one illustration of the profound change in strategic mind-set brought about by the President's selection of the apparition option at the N.S.C. (Cap Weinberger and Bill Casey, now at the far periphery of power, are putting out the story that the damage to the hard-line cause could have been worse — that they saved the Republic from James Baker as national security adviser. You can buy their face-saver if you like.)

Here is a case where the President's common sense is sound, where establishment thinking has become muscle-bound and outdated, and where Mr. Reagan is willing to respond to a press conference charge that he is starting a defensive arms race with a disarming "Would that be all bad?" Yet he is unable to get his proposal off the ground and out of the bureaucratic gravitational field; his aides yes him to death with plans so long range as to throw open a new window of vulnerability in the 1990's.

"Taking a chop off your plate today because you think you'll have a steak tomorrow," says Malcolm Wallop, "is a way to stay hungry." Mr. Reagan's "active defense" has few other active defenders.

Al Pacino Returns to 'Buffalo'

By LESLIE BENNETTS

In a startling burst of energy, he detonated onto the stage, jittering and skittering and dodging around in aimlessly frantic motion as if no space were large enough to contain him. Consumed by nervous tics, he twitched and scratched, obsessively humping up his shoulder and twisting his neck in stiff, jerky, repetitive circles. When he talked, his words exploded onto the audience in a hail of spray.

Two years ago, in a performance greeted with critical acclaim, Al Pacino created a memorable portrait of a character called Teach, a doomed small-time hood trying to pull off a petty burglary in David Mamet's "American Buffalo." Since that time, the actor has returned to the role as Teach returns to the subject of his burglary, worrying it like a tenacious dog.

After doing "American Buffalo" at the Long Wharf Theater in New Haven in 1981, Mr. Pacino moved to the Off Broadway Circle in the Square. This year he has come back to the play for another round; in August "American Buffalo" opened at the Kennedy Center in Washington, and on Thursday Mr. Pacino will open on Broadway at the Booth, where the play has been previewing since last Thursday.

In person, in his own living room, the actor is as restless and nervous as Teach. He paces and fidgets, avoiding eye contact and contorting his body even when seated so that he can stare out a window in back of him instead of looking at the person he's talking to. Ricocheting around the apartment, he grabs food in passing, ripping off a piece of a bagel to tear at with his teeth or shelling pistachio nuts in quick succession, tossing them into his mouth and then noisily rattling the shells in his hand.

His conversation is as erratic as his movements, bursting forth in a torrent of passionate fragments accompanied by the physical motions that help him act out much of what he wants to communicate; but interspersed with the volleys of talk are the gloomy silences he lapses into when he gets stuck and can't figure out how to articulate a thought. He has rarely given interviews, and the unfamiliar situation makes him tense; he worries about whether he is communicating adequately, pausing often to ask anxiously, "Does that make sense?"

Mr. Pacino talks enthusiastically about his current tour, which will take the play to San Francisco and maybe on to Boston, Chicago and London after an eight-week run in New York. But he finds it difficult to talk about the role itself, since his interpretation is constantly evolving. "It's never set," he explains. "When I'm doing a play, it's like a rehearsal. With a movie, it's done and there's nothing I can do about it. But with a play, it's always changing."

He welcomes the time to continue to experiment. "When somebody says, 'You're making this movie,' I've got to cram and get it in," he says. "But it can take you four weeks to feel a way to even work, and if you don't have it you can find you're not really functioning in the role. It's better for me to find out about a piece by living through it. Sometimes I just don't know beforehand how I'm going to feel about it. I did 'The Basic Training of Pavlo Hummel' for five months, but I would have liked to do it longer. You really don't even start till you're doing a part six months."

Mr. Pacino says he knows he is playing Teach differently now than in the past, but looks perplexed and shakes his head when he tries to verbalize what has changed. "I can't articulate it, but I think it's different,"



Al Pacino plays a petty thief and James Hayden and J. J. Johnston are his accomplices in a revival of David Mamet's play, Thursday at the Booth.

he says. "I hope it's changed. Even I have changed in this amount of time."

But he grows animated when he veers off into a discussion of the value of repeating a role. "I believe in going back to parts, very much," he says eagerly. "Actors have traditionally done things again. You try to build a repertory. Think of some of the great Shakespearean parts; how do you just do something like that once? You just can't. And anyway, it never is the same thing. It's like waking up in the morning; you don't just say, 'Okay, I did this for six months, so what's the sense in doing it any more.' 'Buffalo' for me is like a faithful wife or something. It doesn't ever change on you. It's always there; it

doesn't let you down. You can let it down, but it doesn't let you down."

Although he keeps on circling around this particular role, Mr. Pacino has built up quite a variety of credits over the last decade or so. Ever since being catapulted to stardom by the role of Michael Corleone in "The Godfather,"

Arts & Leisure

ther," he has been regarded as one of the leading actors of his generation, and his portrayals of a diverse array of characters have earned him five Academy Award nominations along with numerous other honors for his work in the theater.

Mr. Pacino's film roles have ranged from the tough cop of "Serpico" to the bisexual bank robber in "Dog Day Afternoon," from a passionate lawyer fighting a corrupt justice system in "And Justice for All" to the superstar race-car driver of "Bobby Deerfield." In "Cruising," he played an undercover cop assigned to investigate a series of homosexual murders, in the course of which he discovers he too is homosexual and becomes a killer. Mr. Pacino has just completed the filming of "Scarface," an updated version of the 1932 classic; in this treatment the actor plays a Cuban gangster involved in cocaine traffic. The movie is scheduled for a December release.

But despite the lure of Hollywood, Mr. Pacino has continued to return to the theater more faithfully than most of his peers, regularly going back to his roots.

Born Alfredo Pacino in East Harlem, he grew up in the South Bronx, and although his friends in school dubbed him "The Actor" because of his antics, he was a long journey to midtown Manhattan and acceptance at Lee Strasberg's Actors Studio. He dropped out of the High School of Performing Arts because he was flunking every subject except English, and for several years he drifted, working as a messenger, a supermarket check-out clerk, a furniture mover, a building superintendent, a movie theater usher, an office boy. He shined shoes, he sold newspapers, he polished fruit.

But by the late 1960's, Mr. Pacino was earning favorable attention for his theatrical performances, winning an Obie for Best Actor in "The Indian Wants the Bronx" and a Tony for his Broadway performance in "Does the Tiger Wear a Necktie." However, despite the respect usually accorded his work, Mr. Pacino's theatrical offerings have not always been well received; when he tackled "Richard III" four years ago, the critics were harsh.

Asked why he acts, Mr. Pacino cups his hand next to his mouth and whispers conspiratorially, "Because it's fun."

But he has deeper reasons. "When it's working and I'm in something I feel right about, I know what I'm doing, where I've been, where I'm going, why I'm doing it, and who I am — which is something I can't quite say about the real world."

Even when he is not performing, Mr. Pacino tends to focus on a role in much the same way. "That's what I do when I'm not working — I learn roles," he reports. "If I'm not appearing anywhere onstage or making a movie, I'm usually learning some role or practicing it or getting involved in some workshop. I can recite Hamlet for you practically verbatim; I can give you Othello or Iago. I just picked up 'Peer Gynt,' and I thought, 'Hey, I've got myself a new venture. Sometimes you learn a lot by a role that isn't quite right for you. Sometimes you learn by failing on your face — you learn through the struggle. The way I look at it is, if you can get something you like doing, the experience of being involved with something can be very rewarding, very important to your whole life, and can end up changing the way you look at things. The engagement, the involvement is what I like — to be involved in some of these great worlds that are just filled with things, like Shakespeare or 'Peer Gynt.'"

New 'Zorba' Is not a Classic, But Anthony Quinn May Be

By BENEDICT NIGHTINGALE

Not long ago I saw a revival of "Hair," and could not believe it was the same show that had sent me skipping into the street back in 1968. What had felt so liberating suddenly seemed puny, sulveling and worse: an infantile celebration of a "now" generation which time had mercifully relegated to the ranks of the thems, a tawdry paean to stoned simpletons. "Hair," like many another acclaimed musical, had not weathered well. Nor, for that matter, had the 1960's.

"Zorba," generally regarded in 1968 as fluff beside "Hair," fares rather better in revival; and it does so despite inadequacies in most departments, from Joseph Stein's book to Michael Cacoyannis's production at the Broadway to the voicebox of the mainly marvelous Anthony Quinn, whose macho habit it clearly is to gargle daily with iron filings. It, too, is of its period. Zorba himself, with his rampaging id, his wanderlust, his boast that "I own nothing, I judge nothing, I am free," was very much a hero for the 60's. He even mouthed a few anti-war sentiments that wouldn't have sounded amiss in the Vietnam-obsessed lairs of "Hair." But the musical, like Mr. Cacoyannis's 1964 movie, ultimately derives from a novel published in 1946, when a flower child was still a young person who enjoyed gardening; and some of that work's permanence of spirit finds its way into the theater now.

Some. Not all, not enough. It was, of course, always going to be difficult to adapt as dense and deep a writer as Nikos Kazantzakis to the musical stage, and one should be grateful that he made the jump in relatively unmanipulated shape. Several songs are direct transpositions of anecdote, reminiscence or rumination that would be hard to extract in any more conventional dramatic way. And the same main incidents in the novel reappear in the musical: Zorba's nights on the town with boss Niko's money, the murder of the village widow with whom Niko has an embryonic affair, the death of the moldering courtesan Zorba had promised to marry, the collapse of the mine he and Niko have come to Crete to exploit. Well, all right, in book and movie it's the failure of Zorba's lumberjacking enterprise that finally (and hilariously) dashes his and his boss's commercial hopes. But it is easier, and safer for everyone in the theater, to stage a mild explosion than a wild avalanche of giant logs; so let's not quibble about a detail.

Yet musicals, especially those dating from before the reforms of Stephen Sondheim, are subject to their own magnetic law. They tend to gravitate toward the tried, tested, and found wanting. One can imagine the early script conferences for "Zorba": "You want the folks to think Niko is some kind of deviant? You can't have a juvenile lead like that. We gotta build up the love-interest. Now, that widow..." And, yes, the widow gradually moves center-stage, and her transitory amour assumes an importance it had in neither novel nor film. She speaks, which she shouldn't, and, God help us, she sings: "Niko, I feel I'm living at last. Niko, I'll be good for you..."

The transformation of this bleak, mythic figure into a rapturous American housewife just back from her encounter group doesn't matter only in itself. It distracts us

and Niko from what is, like it or not, his primary relationship: the one with Zorba. In essence Kazantzakis's tale is a vividly illustrated debate between the claims of the head and those of maw, gut, heart and gland. But it is a very one-sided argument, with all the fun, charm and eloquence given to the spokesman for feeling; and so the subject becomes the emotional education of a parched intellectual. The servant teaches the master, Zorba cures Niko of chronic bookishness. That's the center of the thing, or should be.

Of course one can hardly expect to be offered Zorba's philosophy in all its ebullience, since there are only two odd hours available and much singing and swirling to slot into them. But that philosophy is less complete and more dilute here than it need be. Whatever the exigencies of time and entertainment, Zorba should surely not concentrate quite so exclusively on the subject of women and sex. It risks turning an all-purpose Dionysus into an old goat.

Now, the creators of the musical have clearly sensed some of this danger, because they've provided the character with a brave new song applauding the emancipated female ("God made women to be free, interesting, exciting"). That is presumably intended as a sop to the sisterhood, a corrective to Zorba's sexism, his tendency to see women as helpless and pitiful. But in practice the result is inconsistency — and a hero who seems yet more obsessed with one topic only.

Still, it is difficult to complain too bitterly when that hero is Anthony Quinn and that topic principally represented by Lila Kedrova. It is doubly difficult when they bring such warmth and artistry to the business of renewing the partnership they forged in the film. Miss Kedrova, her big, ingenious smiles contrasting sharply with her big, webbed oyster-eyes, gurgles and flutters her way through the role of Zorba's aging, half-cracked mistress, capturing all its fragility. Her very nose, jutting from behind a bedsheet, manages to look infinitely vulnerable. And Mr. Quinn's Zorba remains a splendidly genial, zesty and authoritative presence, whether he's with her, Robert Westenberg's austere and attractive Niko, or the peasantry beyond.

He can't really sing. His attempts to hit the right note sometimes put me in mind of a huge bird, a turkey perhaps, trying to land on a tiny branch; and, right or not, the noise he actually emits is a sort of tubercular boom, as from a rusty cannon. Nor does he bring to Zorba's celebrated dance the "savage and desperate" energy Kazantzakis described and I recall him exuding in the movie. Instead, an intent frown puckers that long, long face, making him look as if he's straining to lay an egg. The egg, I fear, turns out to be his footwork, which is unnecessarily stately and cumbersome.

Yet he has his moments, plenty of them: a dark, brooding stare at the memory of his son's death; a wry, sly, almost invisible amalgam of lip-twisting, eyebrow-raising and shoulder-shrugging at yet another instance of his fellow-creatures' hypocrisy or Niko's earnestness; a delicacy, surprising from so burly a man, in love. There is a new sensitivity, a new tenderness in his playing of intimate scenes, and, of course, that lordly, grizzled charisma is undiminished throughout. He is the Zorba, in some ways even more generous and likable a figure than one remembered from the movie.



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مصرف הפועלים

"YOU JOURNALISTS just aren't sensitive to ethnic issues, I mean, when was the last time you went to a development town?"

This question was shot at me by Professor Yedida Stillman, currently of Binghamton University, New York. Stillman, who has the kind of exquisite good looks that Ashkenazim like myself tend to associate with Persian miniatures, was born in Fez, Morocco, and grew up in a ma'abara and in Jerusalem's Katamon Gimel and Baka neighbourhoods.

Yedida Stillman and I are soon on chatty name-terms, so I explain that I haven't been to a development town for some time because I haven't got a car, thus possibly smashing her stereotype of an Ashkenazi journalist, but I do feel that Beit Shemesh has had its fair share of coverage recently.

All right, not you, she concedes, but what about the TV reporter who introduced a programme about last year's Mimouna celebrations and declared: "I can already smell those delicious grilled steaks?"

He didn't mention, she points out, the fact that we had also arranged an exhibition of books, arts and crafts and embroidery at the Mimouna: "I mean, I love grilled meat, but there's more to Moroccan culture than eating."

Yedida Stillman is a Middle Eastern ethnographer, and she ought to know. She is also married to Norman Stillman, an American Jewish Orientalist who is the author of *The Jews of Arab Lands* and she's an expert on folklore and folk costumes.

The Stillmans have two small children and, she adds proudly, "They can speak some Moroccan Arabic, too." They are planning to come and live in Israel in the fall of 1984.

Stillman was here this week to take part in a congress called "Social Inequalities: The Way Out," which was co-ordinated by the International Sephardi Education Foundation, of which she is an active supporter, and the American Jewish Committee. One of her main concerns she says is to "smash stereotypes." And as one of the very few Sephardi women academics at the congress, she seemed to smash them all at once.

Still gunning for Ashkenazi prejudice in the media, she cites an example of reporting in an afternoon daily: "You have two murders reported in the same issue. Both

Stereotype smasher

Ethnographer Prof. Yedida Stillman accuses the media of slants and biases against Sephardim. Susan Bellos reports.



concerned a father murdering his daughter and both were horrible crimes. I read one story about a man called Hamu without any sympathy. Then I read the other story about an alleged murderer with an Ashkenazi name, and there were all these details about his miserable family life. I began to feel terribly sorry for him. Why was only the Ashkenazi perceived in human terms?"

Well, what would she have us do about our slants and biases? "First of all, stop mentioning people's ethnic origins all the time. A crook is a crook — who cares where he or his father came from? And stop using that ghastly term educationally disadvantaged, in Hebrew *lonei dipnah*, meaning 'in need of fostering'."

So how does she suggest we refer to kids who don't do well in school? Slow learners? Under-achievers? Needy pupils? "Educational disadvantage has become a stigma in Israel. Children don't learn for all sorts of different reasons. Sometimes they come from poor families, as I did. You might say instead, children who need help in reading, math or whatever it is, without lumping them all together as educationally disadvantaged."

Stillman dislikes the implied patronage in ethnicity. She has little sympathy for Tami and feels that "We shouldn't vote for anybody on an ethnic basis. I vote for a candidate on merit and in America I wouldn't vote for somebody just because he was a Jew or a woman or a black."

What does she feel about David Levy, whom many people regard as a proud symbol of North African Jewry?

"Well, I like him personally, but I don't agree with many of the things he says." I concede that I may be harbouring the foulest prejudice, but I really can't stand Levy's style. Says Stillman: "I can't stand his style either. But that pomposness and demagoguery is a direct imitation of Ben-Gurion."

I point out that I also mean by his style his beautifully coiffured head and his natty clothes. "That's just because he's got beautiful hair," she says. "I don't mind his clothes. Anyway, if you want a snappy dresser, take a look at Modi'i."

Yedida Stillman was the seventh child in a family of eight: "We weren't ashamed of living in a tent. It was hard, but the greatest legacy our parents gave us was our refusal to complain."

It's just not true, she says, that the Arabs. When we moved to Katamon, we lived near the Arabs of Beit Safafa. We had excellent relations with them and my mother paid an Arab teacher to help me with my math."

Nor did her family fit the stereotype of the passive only-Arabic-speaking North African Jew either: "My two Hebrew-speaking elder brothers were active members of Hahonim and they fought in the War of Independence."

Today, one of her sisters is the artist Hannah Halfon, two brothers are academics, two sisters are teachers and another is a secretary.

Unlike some other North African activists, she does not care to sentimentalize about her roots: "I went back with my husband and children to see the house where I was born in Fez. I am not sentimental about North Africa. I know that if I had stayed there, I could not have succeeded either as a woman or as a Jew."

What does she think about these Oriental heritage programmes which are now part of the Israeli school curriculum? Is there anything much in them apart from the Golden Age of Spain? Stillman is not thinking of golden ages: "It's not a question of greatness or bigness. It's more a question of each of us learning about each other's social and cultural history. It means 'yes' to the Polish shtetl, but equally 'yes' to the history of the Jews of Turkey, Greece or Bukhara."

Yedida Stillman is aware that she is a success story. But the purpose of the congress was to demonstrate that too many Israeli Sephardim are not. It's all very well, she points out, going on about the 25 per cent rate of intermarriage, "but that's mostly between middle-class people. Those people out in many of the development towns are still stuck." Ninety per cent of Israel's real poor, the estimated 17,000 families who live below the poverty line, are of Middle Eastern or North African origin or descent. While many more children of Oriental origin are getting a much better education, especially in technical and vocational skills, only 18 per cent of them reach university.

For Yedida Stillman, that's not good enough. And for the rest of us, in a Jewish population which is now 65 per cent Oriental, it points to something skewed.

WHEN Pnina Herzog takes her seat as a delegate in the forum of an international organization, there are immediately two strikes against her: one, she is an Israeli, and two, she is a woman.

"It is always a difficult situation — first, because there are few if any women in such forums, and second, because of the political atmosphere there. The outcome is always as the Arabs want it to be... Unless we have a lot of help from the U.S. and other Western countries, they can pass almost any resolution they want because of their good information system and their money. Thus, our work (as Israelis) is hard, almost futile. But we must be there to present our case."

Herzog, a leading figure in the International Council of Women (ICW) — a roof organization of women from 75 countries — and the ICW's permanent representative to the World Health Organization (WHO), was addressing a recent "First Tuesday" monthly breakfast-meeting of professional women at the Jerusalem King Solomon Sheraton. Her comments focused on being a representative in non-governmental and international governmental forums.

"An example of an international governmental organization or IGO," she explained to the un-

Representing Israel

Appearing on international organizations as an Israeli and a woman is doubly difficult situation. Pnina Herzog tells Amy Levinson about the need for more such representation.

initiated, "is the UN and its various agencies — UNESCO, UNICEF, WHO and so on. Professional, voluntary and other general types of national and international organizations such as the ICW are called non-governmental organizations, or NGOs."

"At the WHO, I represent the ICW, not Israel. I meet people from all over the world, and as the ICW delegate, I represent women from Arab countries, too," said Herzog. "It's absolutely schizophrenic — I, an Israeli, plan seminars in Morocco and programmes for women in Syria!" Her other duties as ICW representative include compiling information from the organization's branches around the world, writing reports to WHO (usually relating to primary health

care) and other NGOs, etc.

The ICW worked hard to be officially recognized at the WHO, Herzog recalled. It was supposedly a non-government-affiliated group, but politics got in the way at the UN health organization. "When someone pointed out that there was a South African on our ICW board, people started asking questions. It was two years before we were officially recognized by the WHO and before we were represented there."

Although other NGOs like the ICW have had to fight for recognition at IGOs, strong mutual ties exist between them today, according to Herzog. In order to implement their resolutions, the IGOs have found that the commitment and "lobbying" efforts of the NGOs is crucial.

"Draft resolutions are drawn up and passed at IGOs like the UN, and the NGOs, through pressuring their own government agencies, help to get them put into practice. For example, when you have a UN-declared International Year of Women, of the Aged, or of Youth, it is often the work of the NGOs, on the national level, that makes such events more successful internationally."

On the other hand, international NGOs may lobby UN-affiliated organizations to take a stand on a particular issue. Herzog gives an interesting example:

"Industries used to take beautifully packaged breast milk substitutes to developing countries and distribute them. The women there thought their children would look like the healthy children on the box. They gave the children the wrong quantities of the substance, and because the water was contaminated in some cases, children began to suffer from malnutrition."

"In this case," Herzog continued, "pressure from NGOs — especially women's organizations — influenced the WHO to come up with a new code regarding the use of breast milk substitutes. After all, breast milk is the most healthy food for babies, and mothers should be encouraged not to use the milk sub-

stitutes unless absolutely necessary."

If the WHO was helpful in that instance, there are other cases in which it creates problems. According to Herzog: "Funds are channelled into the WHO for its various activities, and yet there is often no reporting back about where the money has gone. Now money (for certain programmes) is channelled through the IGOs to the NGOs which keep track of it and use it where needed."

Herzog concluded her talk by stressing that the participation of Israelis — and Israeli women, in particular — is crucial in both non-governmental and international governmental organizations. She pointed out that the end of the UN Decade of Women is coming up in 1985 and that women's organizations such as WIZO and the International Council of Jewish Women, in addition to local groups such as the Israel Association of University Women — of which Herzog is president — need to prepare for this.

"Here in Israel, our non-governmental women's organizations must think about being represented in '85. We can do much to raise public opinion about Israel, and balance out the picture given by the Arabs."

THE PORTRAYAL of sex in movies and books may be one of the reasons people in real life have sex problems. Gila Bruner, an authority on sex education and counselling, told WIZO volunteers at a recent study day on sex in the family.

"In the movies, when the couple has sex, they see stars and hear music," she said. "When that is not what happens in real life, people are disappointed."

She said that despite the seeming openness of our society in regard to sex, "real life" sex is not discussed. "Every child gets some sort of sex education growing up, even if parents and teachers never mention sex. In those cases, sex education is negative and the resulting misinformation and fear is the first step

Women's news

toward trouble."

The main sex problems experienced by women, she said, are failure to reach orgasm, pain during intercourse, and vaginismus — an involuntary contraction of the vaginal muscles which prevents anything (including a tampon or a gynaecologist's finger) from penetrating. For men, impotence, premature ejaculation, and failure to ejaculate at all are the main sex hurdles.

Though some of these problems may in some instances have a physiological basis, the reasons for them are often psychological. For

example, Bruner recently treated a woman with vaginismus which turned out to be rooted in hearing cries from her parents' bedroom when she was a child: "They may have been cries of pleasure for all we know, but she always associated them with her mother having pain."

Similarly, a man who fails to have an erection once (perhaps because he drank a little too much) may be so worried next time that his anxiety in itself will be enough to ensure failure — and a vicious cycle begins.

Treatment of these problems is a slow process. "Sex is done in couples and if only one spouse comes for treatment, it probably will not work," said Bruner. "Both spouses have to 'unlearn' a lot of attitudes and habits. Often, a breakdown in communications has occurred between the spouses and is expressed in bed as well as everywhere else."

"The sex problem will not be solved until the communications problem is licked."

Bruner also discussed sexual changes which occur later in life. Menopause can cause fatigue and other problems, including depression, for those women whose main job was childrearing. But many women find that their sexual experiences actually get better after menopause — they are alone with their husbands (the children have left home) and can enjoy each other's company more freely. At that stage in life, menstrual cramps and other inhibitions connected with the menstrual period are also eliminated, as is the worry about birth control.

For men, Bruner explained, the late forties and early fifties are often a time for fearing old age and, sometimes, looking for other women to help them prove they are still "men."

The volunteers who help women seeking divorce at WIZO's legal aid bureau were urged not to try to treat these kinds of problems themselves, but to be aware of them and to refer clients to family counselling centres, sex clinics at hospitals or other treatment programmes.

Attorney Etya Simcha explained that the sexual obligations of men and women under religious law are not equal. The man is obligated to have sexual intercourse with his wife, but she (at least in theory) is not required to have sex with him. Rape of a wife by her husband is anathema to Jewish law, she said, because the Torah says that a man must respect his wife more than he respects his own body.

Simcha emphasized, however, that theory and practice are not always the same, and women who want a divorce on sexual grounds will not have an easy time getting it. "If a couple does not get permission (after 10 years of marriage) to take a second wife. The best that can be offered the wife is that her husband will be forced to divorce her — but as those of you who work in the field know well, this rarely happens."

AS MANY as two hundred women from all over Israel are expected to attend the Israel Association of University Women's annual general meeting on Sunday, 6 November, according to organizer Natalie Gordon.

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'Money and capital markets need overhaul'

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — A total rethinking of Israel's money and capital markets is imperative in at least five separate areas, according to Manfred Gerstenfeld, who with Ilan Barzel, heads the Euroteam financial consultancy firm.

"The first sector concerns investment instruments. The Israeli market can no longer depend on bank shares as short-term investments which will give an almost certain predictable yield, yet remain easily negotiable," he said.

"In a normally functioning economy, nobody would have ever even considered the shares of any company as a short-term instrument, for such shares rarely provide a daily yield yet remain liquid," he added.

It was absurd that for so many years investors have had such an inflation-proof liquid investment for their cash surpluses. Bank shares,

and to a much lesser extent, government bonds were meant to be a means of savings, "never to be a key instrument in a money market."

In developed capital markets, such as in the U.S. and the UK, the proper instruments for short-term capital investment include Treasury bills, Treasury notes, corporate certificates of deposit — all of which are negotiable before their final redemption.

Before the days of hyperinflation, the Bank of Israel also issued such instruments in the form of short-term loans. At present, however, one of the few instruments still available in Israel with short-term liquidity are the certificates of deposit issued by the commercial banks.

"But their major drawback is that their interest rate is not determined by the free play of the market, but is fixed in a monopolistic manner by the banks, irrespective of the laws of supply and demand,"

Gerstenfeld noted.

A second field is the encouragement of holding shares for long terms. No stock exchange can function properly in a high-inflation economy unless there are clear incentives for investors to hold securities and to forego short-term capital gains.

And no matter which system of indexation is used in a high inflation economy, there will always be major short-term distortions in one form or another. Investors will always desire to switch rapidly from one instrument to another to obtain the benefits of such changeovers.

The Tel Aviv Stock Exchange has shown a continuously rising rate of turnover compared to the value of the quoted equities. In 1975, this ratio was 16.5 per cent; i.e., the annual turnover represented one-sixth of the total market capitalization. By 1982, the ratio had risen to 60 per cent; i.e., almost two-thirds of the value of all the stocks changed hands last year.

"By international standards this is a very high figure. This situation — rather this oddity — derives to a large extent from the confusion between money and investment instruments."

The third area which must be changed is that of the institutional investors. Financial markets cannot operate without institutional investors who can afford to take a long view, Gerstenfeld said.

The fourth field that should be reviewed is "market making."

"There is room, indeed need, for more intelligent forms of market making, but only to even out the

peaks and bottoms of prices.

Intervention should be allowed only if there is a fundamental change in the situation of a company, or the national environment. For example, it is highly logical that company shares should fluctuate sharply when a major event is expected, or takes place in the economy. And Israel has plenty of these — a war, a devaluation, an expected fall of the government, a change in inflation, and so on," he notes.

Finally, he said, the role of the operators functioning in the market should be changed radically. There is no reason that the tax payers should lose heavily because advisers in a bank told their clients to buy bank shares. "It was this system which was one of the major reasons the government had to move in to guarantee these shares."

"The environment will ultimately cause many of the necessary changes I have listed above," Gerstenfeld concluded. "The only question is how long it will take."

Expansion planned for science-industry park

TEL AVIV. — Africa Israel Investments, a subsidiary of Bank Leumi, has earmarked \$5 million for expansion at its science-based industrial park near the Weizmann Institute in Rehovot. About \$3m. will be used to build a "technology service" centre for its science-based industries, and another \$2m. is slated for the construction of two more buildings.

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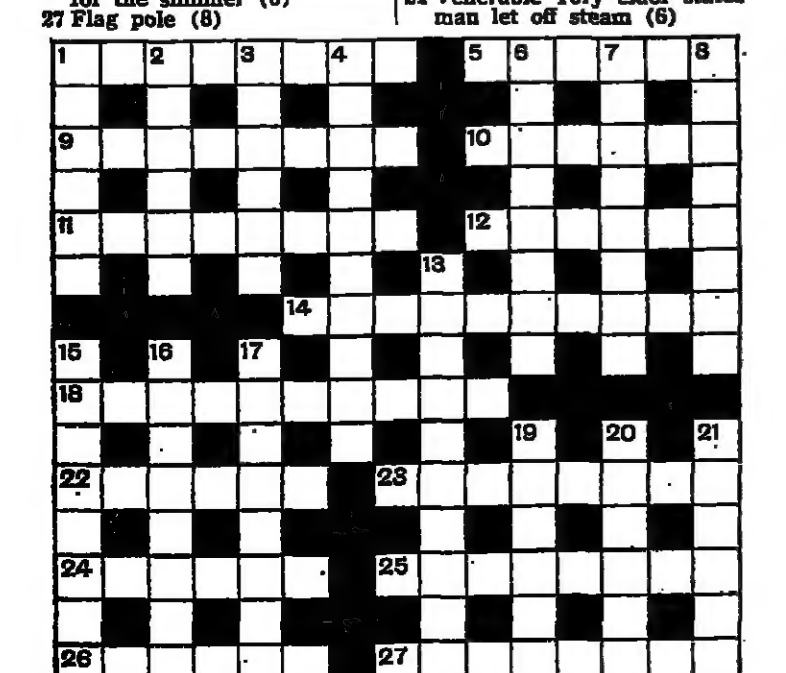
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ONE-AND-ONE CROSSWORD

- | | |
|---|---|
| ACROSS | DOWN |
| 1 Unit of money which is counterfeit? (4, 4) | 1 Graduate told to turn up for criminal classes? (3, 5) |
| 5 Grab a lot of eggs (8) | 2 Kape-brained domestic animal confined in pig pen (6) |
| 9 Search river by gulf state for a local guide (8) | 3 One hundred and fifty six balls in the field (6) |
| 10 Anglican theologian who was a successful angler (8) | 4 Justly described as having reasonable chance of recovery (2, 1, 4, 3) |
| 11 Where to find Kitty in trouble (2, 3, 3) | 5 Consider the exclamation of a garden bird watcher! (4, 2, 2) |
| 12 Biblical prophet who was untouched by pride (6) | 7 Understand how to give a stray dog a home (4, 2, 2) |
| 14 Ulster Secretary is about to draw the most important considerations (10) | 8 Quite safe type of bomb it unarmed (8) |
| 18 Colonel worked with others apparently (10) | 13 Contrive so we and light a form (4, 6) |
| 22 Australian animal given food and shelter (6) | 15 Humiliate twenty unemployed (5, 3) |
| 23 Don't interfere, quite apart from anything else (3, 5) | 16 Driving army doctor to telephone (8) |
| 24 Bird reveals crude oil in mineral deposit (8) | 17 The egalitarian steam roller (8) |
| 25 Urge the factory to produce brinjal (5, 5) | 19 Craft of Chinese, South African politician, and a Pole (6) |
| 26 Number one consideration for the slimmer (8) | 20 Is it included in season at Albert Hall? (6) |
| 27 Flag pole (8) | 21 Venerable Tory elder statesman let off steam (6) |



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- QUICK CROSSWORD**
- 9 Across: 10 Instructor, 11 Intent, 12 Imprisonment, 13 Remuneration
- 14 Move in sleep, 15 Gemstone, 16 Cornish hill, 17 Cheating rogue, 18 Long way off, 19 Early invader, 20 Foreword, 21 Listen, 22 Crazy
- DOWN**
- 1 Tell, 2 Vagrant, 3 Sauce thickening, 4 Outside, 5 Circular building, 6 Roof window, 7 Poor, 8 Spurious excuse, 9 Politician, 10 Supporter, 11 Stiffening substance, 12 Metaphor, 13 Without, 14 Compulsion, 15 Aptitude, 16 Part of speech

Your money and your questions

By JOSEPH MORGENSTERN
Post Finance Reporter

QUESTION: Why should the holders of bank shares bear the loss resulting from the blunders of the finance minister and the banks?

ANSWER: Obviously, each individual can blame whomever he wishes for losses resulting from investing in shares. However, investing in shares carries with it an inherent risk. While for many years most investors considered bank shares as blue chip stocks, this feeling changed in the two months before October 6 as many Israelis opted for dollar holdings and sold all types of shares and bonds denominated in shekels to obtain them.

QUESTION: I understand that if a suspected tax evader is reported to the authorities and the report results in a successful prosecution and collection of the tax, the informer is entitled to 10 per cent of the amount collected. Is this amount tax-free?

ANSWER: The 10 per cent reward is liable to tax just like any other income.

QUESTION: Are there still reasonable opportunities for investment in index-linked bonds following the sharp advances in their prices when the bond market reopened?

ANSWER: Though index-linked bonds rose sharply last Thursday, the prices may not yet have reached a level which expresses expectations of the rise in the cost-of-living. Given the recent devaluation of the shekel, the cost-of-living index could continue to rise sharply for the remainder of 1983. Anticipations of a 50 per cent advance in the index over the last quarter of the year, if realized, could give these bonds another major push upwards.

QUESTION: You have come out strongly in favour of stopping the sale of cash dollars and I agree with you. Have you been able to get an answer from the government why they continue this practice?

ANSWER: One of the country's leading bankers reported to me that the governor of the Bank of Israel remains opposed to changing the regulations allowing the free purchase of cash, travellers cheques and bankers' drafts.

QUESTION: Which shares are most likely to benefit from the devaluation of the shekel and other recent government economic moves?

ANSWER: Companies whose sales are heavily export-oriented should gain from the devaluation as well as from a policy of keeping the dollar value of the shekel in line with inflation.

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Banker has reassuring words for Israelis

By AARON SITTNER
Jerusalem Post Reporter

The shake-up on the Tel Aviv Stock Exchange, Israel's \$5.1 billion balance-of-payments deficit and the 150 per cent-plus rate of annual inflation should not cause Israelis any sleepless nights. All these problems will be solved satisfactorily.

These reassuring thoughts were aired by Erwin Sussman, a major shareholder of Israel's North American Bank and a member of its board of directors. The bank — with four branches already in operation — has been licensed to open three more.

In an interview with *The Jerusalem Post* yesterday before returning to his home in Los Angeles, Sussman — a California home builder and industrialist — said: "In view of your government's practice of helping banks support the price of their shares on the exchange, I expected the earthquake that eventually struck the stock market. And I'm certain other bankers also anticipated it."

Sussman believes Diaspora Jews should do as he has done, and invest heavily in Israeli industry. "My involvement with Israel is not new," he said. "In 1948 I came here straight from Europe and fought in our army during the War of Independence. Then, 16 years ago, from my home in America, I began investing in Israeli industry and in the North American Bank."

In Los Angeles, Sussman is active in Israel Bonds as well as in other philanthropic organizations. "But buying Israel Bonds is not enough," he claims. "Jews abroad should also make direct investments here — especially in the West Bank, since Judea-and-Samaria are an inseparable part of Israel."

"Menachem Begin is one of the greatest leaders the Jewish nation has ever had. I agree with him that

building a factory and creating jobs somewhere in the administered areas is absolutely no different from undertaking the same venture in Tel Aviv."

As for the economic difficulties in which Israelis now find themselves, Sussman had this to say: "Besides Begin, we Jews had another great leader — Moses. He too faced the economic problem of how to feed 600,000 itinerant Israelites in the desert on the way from Egypt to the

Promised Land. But that problem was solved, with God sending down the manna."

"I have no doubt that the economic problem facing Israelis today will likewise be solved. All you people have to remember is to have faith in the Almighty and stop gnawing at each others' throats."

Sussman pledged to keep pushing the invest-in-Israel theme among fellow Jews when he gets back to California.

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The last day of trading in these shares on the Stock Exchange will be November 8, 1983.

On November 8, 1983 the above-mentioned shares will be removed from the list of shares registered and traded on the Stock Exchange. The above-mentioned decision of the Stock Exchange refers only to Ordinary Bearer Shares and not to Ordinary Registered Shares, which will continue to be registered and traded on the Stock Exchange. Consequently, all holders of Ordinary Bearer Shares in the Company are entitled to receive from the Company an Ordinary Registered Share Certificate in exchange for each Ordinary Bearer Share Certificate which they hold. The holders of Ordinary Bearer Shares should therefore contact the Company's Secretary, 4 Hefez Street, P.O.B. 434, Haifa 31003, and request the conversion of their Bearer Shares to Registered Shares.

S. Bar Lavav
Secretary

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		PURCHASE	SALE	
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GREAT BRITAIN	STERLING	121.6691	123.0940	121.5600
GERMANY	MARK	31.4819	31.7984	31.4000
FRANCE	FRANC	10.2957	10.3992	9.9100
HOLLAND	GULDEN	27.9972	28.2786	27.9200
SWITZERLAND	FRANC	38.7237	39.1129	38.6200
SWEDEN	KRONA	10.4642	10.5694	10.3000
NORWAY	KRONE	11.1237	11.2355	10.9500
DENMARK	KRONE	8.8634	8.9705	8.5200
FINLAND	MARK	14.4495	14.5948	14.2200
CANADA	DOLLAR	65.9400	66.6028	65.3400
AUSTRALIA	DOLLAR	78.7073	79.4582	71.8300
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BELGIUM	FRANC	44.7385	45.3084	44.6400
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Context

COALITION QUESTIONS

Municipal elections '83

By MICHAEL EILAN / Jerusalem Post Reporter



Teddy Kollek (Auerbach) Shlomo Toussia-Cohen (Scoop 80)

OF THE basic questions of the Jerusalem municipal election campaign is: who will be in what kind of coalition with Mayor Teddy Kollek after the votes are counted in Tuesday.

Nobody really doubts that Kollek will win on the personal ballot for mayor. Even the Likud's most optimistic polls do not give their man, Shlomo Toussia-Cohen, an outside chance at beating Israel's most famous mayor.

Such attention has consequently been diverted from the mayoral race to the city council. Kollek's Deaf Jerusalem list now enjoys a majority in the 32-member council, and has hardly any coalition debts to pay.

The stickers handed out by Kollek's campaign headquarters read "Teddy is Jerusalem. Teddy is One Jerusalem." In line with this slogan, much of the rhetoric is aimed at persuading residents to vote a double ticket, both for Kollek and his council list.

ONE OF THE hottest issues of the Jerusalem campaign has been "encroachment" by the fast-growing ultra-Orthodox population, which the secular residents of the capital find frightening. A publicity photograph shows Kollek tied to a chair with ropes, and the message it conveys is: "Do you want Teddy to be tied down like this in a coalition with Agudat Yisrael? If you don't vote One Jerusalem, that's what's going to happen."

Kollek himself is careful not to make anti-religious statements; he

has often defended allocations to ultra-Orthodox institutions, saying that the ultra-Orthodox are residents of the city like everyone else and deserve equal services.

The attack on Kollek as he emerged from a synagogue in the city's Bukharan quarter 10 days ago genuinely horrified many Jerusalemites, both secular and religious. Kollek himself said after the attack that it proved "one has to fight for tolerance." And his supporters stressed that he needs a majority in the council in order to conduct this fight.

Surveys commissioned by One Jerusalem and conducted by pollster Hanoach Smith before the attack indicate that Kollek's list was hovering between 14 and 15 seats on the council list. One Jerusalem enjoys an absolute majority in the city's secular neighborhoods, but a low turnout among the seculars and a very high turnout among the religious would make Kollek lose his majority, according to Smith.

HIGH TURNOUT is the name of the game in Aguda politics in Jerusalem. An advertisement in the Aguda newspaper *Hamodia* is addressed to "the 637 persons who did not vote in the last elections." Most of the Aguda's efforts are now directed at getting everybody to the ballot box.

But all is not well in the Aguda fold. Leading the list is Meir Porush, the 28-year-old son of MK Menachem Porush. Meir Porush does not command much respect in the ultra-Orthodox community, and at least two new lists have sprung up to challenge the authority of the

Porush dynasty. One of these lists, Tali, was persuaded at the last moment to stop all active campaigning. The second list, the Sephardi Federation of Tora Guardians, is still very much in the race. Its posters are displayed in the heart of the Geula

neighbourhood, and it is significant that they have not been torn down.

Even if these lists do not get into the city council, their willingness to challenge Porush openly is remarkable. It means that the leaders of these lists are not frightened of losing allocations to institutions with which they are identified, since Porush controls much of the government and municipal funding in Jerusalem. It also means that the Aguda may have lost its absolute hegemony among those members of the ultra-Orthodox community who do not think it a sin to vote in government or municipal elections.

Another factor that may weaken the Aguda is its split with Poalei Agudat Yisrael, whose popular council member, Shlomo Zalman Druck, has decided to run alone.

THERE ARE three other lists competing for religious votes in Jerusalem. One of these, Tami, is not expected to get into the city council. But the other two, the National Religious Party and Tadir-Matzad, are in the midst of a bitter fight for the same votes.

The NRP is in Mayor Kollek's coalition and says it will stay with Kollek after the elections. Tadir-Matzad, allied with Rabbi Haim Druckman's right-wing Matzad Knesset faction, says it is keeping its

options open, though it has made a surplus votes agreement with the Likud.

Most of the articles in the religious parties' platforms deal only with the interests of the religious residents of the city. Few of them address Jerusalem as a whole urban unit.

Only One Jerusalem and the Likud treat both secular and religious issues as part of the urban complex. Other secular lists, ranging from the left-wing Peace list to Tehiya, address themselves to specific urban, social and political subjects.

THE LIKUD'S campaign got off to a limping start, with many reports of dissension over the choice of its candidate. Toussia-Cohen, a well-known trial lawyer who was not a party activist until he joined the race. Some local party leaders resented the way he was "parachuted" onto them.

"All my professional life I would talk to one, two or maybe three people," he said, commenting on his public-speaking style which hardly excited Likud audiences. "I had to learn to speak to hundreds."

And learn he did. His delivery improved, his attacks on Kollek became sharper, and he even admitted on one public occasion that "I've got the political bug."

In a tour of the Mahane Yehuda market with Minister-without-Portfolio Ariel Sharon, Toussia-Cohen seemed to derive pleasure from the reflected adulation he got from the crowds. And as the cam-

paign continued, the lukewarm response in rallies improved. BUT IT IS NOT easy to run against Kollek, and throughout the campaign there have been rumours that Toussia-Cohen is considering quitting the race. These rumours have been vehemently denied, but the suggestion has stuck.

To counter Kollek's prodigious achievements during 18 years in office, the Likud accused him of "spending too much on 'grandiose' projects. The flaw in this argument is that the public seems to believe that only Kollek could have raised the \$150 million in foreign contributions that Jerusalem has received since 1967.

The Likud also accused Kollek of neglecting the city's new neighbourhoods. One Jerusalem answered this by saying that it was the government that built the new suburbs and failed to provide many essential services. Many of the services that do exist, Kollek's people say, were provided by Kollek's Jerusalem Foundation.

Probably the most serious argument in principle between Kollek and the Likud is over the West Bank satellite towns around Jerusalem. Kollek objects to these, saying that they strip the city of development potential, while the Likud says Jerusalem needs the new towns to protect itself.

In East Jerusalem, the election campaign has not made much of an impact. Kollek posters are up all over the place, but few expect the turnout to be much more than 5 per cent since most Arab Jerusalemites refuse on principle to vote.

Getting all worked up

GARDENER'S CORNER / Walter Frankl



THE FIRST RAIN of the season, called the *yore* — the shower — in Hebrew, has wet our gardens, cleaning foliage of dirt but not penetrating the ground to deep roots.

Weeks may pass before there is a real downpour, and the wise gardener knows to water the garden as usual. While the sunshine lasts, get busy. Dig and manure every bare spot, raise flower and vegetable beds to get better drainage, sow and plant annuals (especially sweet peas), set out spring-flowering bulbs.

Have a rest, a refreshing drink and get busy again. Dig trenches in garden beds to avoid flooding, mow, biennials and perennials, cultivate and feed plants in balcony containers and hanging baskets and give sensitive plants a protective cover of small pine branches. Give your lawn a compost dressing after the last mowing.

You might want to plant some bulbets to get a supply of green onions. The bulbets (*batzatzaim* in Hebrew) are available now at seed shops, which are also offering a wide range of spring-flowering bulbs — well in time this year and better in quality than in previous years. These bulbs are a staple of autumn planting. Use your imagination and try them in balcony boxes or pots and even in hanging baskets, as well as in the garden.

Now is the best time to sow one of the loveliest of flowers, the sweet

pea, justly famous for its fragrance. It is called *tolpa rehaneh* or *afuna rehantit* in Hebrew. Early planning and preparation are vital for success with many kinds of flowers, and certainly with sweet peas.

They are climbers so dig a trench 20 cm. deep along a wire fence, a wall, a high-growing shrub or close to some staked tree branches. (Bare olive branches are excellent for this.) Fill the trench with a mixture of equal parts of red soil, compost and sand. Spread a handful of superphosphate over the growing medium and sow pairs of seeds at intervals of 10-15 cm. Seeds should be about 2cm. deep.

Soak the area and be careful not to wash out the seeds — use a watering can or drip system. Continue watering three times a week during rainless periods.

It's vital to scatter slug bait around a sweet pea bed from the start. Later put sheets of wire fence over the germinating peas to protect the young seedlings from birds. Add a layer of leaf mould mulch if a drastic drop in temperature is forecast. Repeat superphosphate feedings every 3-4 weeks.

Grow your own hedge plants. Late October and early November are a good time for propagation by stem

cuttings. A clay or plastic pot 20 cm. in diameter will take 3 to 6 average-sized cuttings. Put flat stones over the pot's bottom holes for proper drainage and fill it up to 2-3 cm. below its rim with a 50:50 mixture of compost and vermiculite.

Moisten the medium and insert the cuttings so 5-6 cm. of their length is covered by the growing medium (altogether cuttings should be about 15 cm. long). Make sure that pots are properly firmed; air pockets around the cut surface will disturb growth.

Nearly all cuttings need a humid atmosphere, as leaves soon shrivel and die in dry air when there is no root system to replace the rapid loss of moisture. To avoid this, place four small sticks or tree branches in the pot, forming a square.

Put a plastic bag over them and secure with a rubber band. Not all cuttings respond well to the bag technique; cactus, succulent or geranium cuttings should never be covered by a plastic bag!

Place the pot in partial shade, or in a bright spot out of direct sunlight. Water very gently, just to keep the medium moist. Pick off any leaves that turn yellow or start to rot. The great enemy now is impatience. Do not lift the cuttings to

see if roots are appearing. In a few weeks, the signs of success will appear: new growth at the tips of the cuttings.

When those tips of new growth appear, most carefully lift out each rooted stem cutting, taking care not to disturb the compost and vermiculite around the roots. Transfer each rooted cutting to a medium-sized flowerpot, filled with good garden soil. Let it grow there until it becomes large and strong enough to be transplanted together with its whole root ball to its permanent destination.

The following hedge and border shrubs may be propagated by cuttings from now through early November: lavender (*Lavandula vera*, *asvinn refuae* in Hebrew); privet (*Ligustrum japonicum*, *ligustrum yaponi* in Hebrew); lilac (*Syringa vulgaris*, *ilah matsui* in Hebrew); *Duranta plumieri* (*duranta metsuya* in Hebrew); *Pittosporum undulatum* (*pittosporum galoni* in Hebrew); and *Bignonia capensis*, which is also *bignonia* in Hebrew and may be known to some by the English name trumpet flower.

Grow blackberries. Your nurseryman may be able to provide you with rooted blackberry canes or cuttings. Blackberries can be planted in autumn and early spring, but before you plant, be sure to clear away all deep-rooting perennial weeds like *yabfir* grass, which will be difficult to get rid of later. Dig some home-made garden

compost and a handful of general fertilizer ("20-20-20" or osmocote) into the ground to give your berries a good start. Blackberries are surface-rooting, so cover only the roots of the canes with a few centimetres of soil. After firming the soil with your foot, cut the cane down to about 20-25 cm. above the ground and mulch with compost, peat or dry pine needles to retain moisture. This is most important on sandy soils. Later, in spring, occasional dressing with potassium (*ashlagan* in Hebrew) will ensure good cane growth.

Flowers from seed. The following annuals may be propagated from seed (available locally) under glass or plastic cover in November: strawflower (*Helichrysum bracteatum*, *dam hamakkabim* in Hebrew); larkspur (*Delphinium ajacis*, *doravim eshkolti*); cornflower (*Centaurea cyanus*, *dardar hadgani*); snapdragon (*Antirrhinum majus*, *loa ha'ari hadgadol*); English daisy (*Bellis perennis*, *bat hen*); painted tongue (*Salpiglossia sinuata*, *sugit melfurets*); sea lavender (*Limonium sinuatum* or *Statice sinuata*, *ad-ad kahol*); annual phlox (*Phlox drummondii*, *shehav drummond*), and others, which go by their Latin names; *Gilia coccinea* (also called *Gilia rubra*, *gilia aduma* in Hebrew); *Eschscholzia californica* (*eshkolzia kalifornit* in Hebrew); *Clarkia elegans* (*clarkia adina*) and *Scabiosa caucasica* (*tagit kavkasit* or *bereh hagamal*).

Breeding ground in Cairo

By DALIA BALIGH / Cairo

ON A tree-studded patch of desert amid Cairo's bustling suburbs, the government is breeding the same line of Arabian horses that the Turkish sultans rode 200 years ago.

Horse-breeders from all over the world buy purebreds from Al-Zahra, the largest stud farm in Egypt and one of the main centres for breeding Arabian horses in the world.

Al-Zahra was originally built in the wilderness outside the city in 1931. The dry climate was similar to the Arabian's original homes in Saudi Arabia and Yemen. Al-Zahra is now surrounded by the busy Ain Shams residential area. High black walls and shrubs isolate the horses from teeming crowds and chaotic traffic.

The 340 dunams of grounds are divided into large corrals where the

horses roam freely on desert sand. There are stone bungalows with shady pathways where the veterinarians and groomers work.

"Our aim is to keep and maintain Arabian horses," says Dr. Soliman Khalil, deputy director of Al-Zahra. "It is the only farm in the Middle East on such a scale where you can find Arabian horses."

The Turkish rulers of Egypt were the first to import and breed the Arabians. This tradition was continued in the 20th century by the royal family of Mohammed Aly Pasha, who founded the Royal Agriculture Society and the Royal Stables.

Both institutions were nationalized during the 1952 Revolution, and the society was named Al-Zahra and was put under the control of the government-owned Egyptian Agricultural Organization.

APPROXIMATELY 250 horses are kept on the farm and the surplus is sold. The mares and their brood sires together for a year, then colts and fillies are separated in different

pens. Stallions are kept in individual stables and are only taken out for short exercise periods.

There are about 100 groomers, six veterinarians and four agricultural engineers to look after the horses in this "paradise" of Arabians, says Dr. Ibrahim Zaghloul, director-general of Al-Zahra, as the horses gently brushed against him.

Zaghloul said nearly 25 horses, mostly colts and fillies, are sold annually. Each buyer is presented with

his horse's family tree, going back as far as 10 generations. The best stallions and mares are kept on the farm, while their offspring spread their reputations around the world.

Zaghloul proudly displays a 13-year-old brown stallion named Amir (Prince) and said he was "priceless." Amir is one of Al-Zahra's most productive stallions and Zaghloul says he will never be sold.

He recalls a stallion sold to a private American breeder in 1972 for \$30,000 had been sold this year in an auction in Okala, Florida, for \$6 million.

Arabian horses have been prized for centuries for their beauty, spirit,

speed and intelligence. They were extensively used in wars hundreds of years ago.

Khalil says their quick intelligence made it easy to train them for sports such as polo and the steeplechase, but he says they were best suited to running long distances.

TO PROTECT the purity of Egypt's Arabian breeds, Zaghloul says many gelded horses were allowed into the country.

According to Khalil, the average price of a one-year-old colt was \$10,000, while the price of a filly of between one and two years ranged between \$50,000 and \$70,000. Colts older than a year are priced higher according to their quality.

He lists private horse breeders from the United States and Ger-

many as the top customers for the Arabians from Al-Zahra and some 10 smaller privately owned stud farms in Egypt. He also said horses were sold to breeders in Western Europe, South America, the Soviet Union and Australia.

Egyptian-bred Arabians, following years of selective breeding, are now being returned to their native Arabian peninsula to start stud farms there.

Nabil, one of Al-Zahra's prime stallions, was presented by President Anwar Sadat to Saudi Arabian King Khalid in 1979. Zaghloul recently founded a stud farm in Saudi Arabia and wrote a stud book listing the pedigrees of each horse on the farm. Nabil, he says, is the farm's No. 1 stud stallion.

(The Associated Press)

ENTERTAINMENT

TELEVISION

EDUCATIONAL: 8:40 Maths; 9:00 Language and Communication; 9:30 English; 10:00 Geography; 10:30 English; 11:00 English; 11:30 English; 12:00 English; 12:30 English; 1:00 English; 1:30 English; 2:00 English; 2:30 English; 3:00 English; 3:30 English; 4:00 English; 4:30 English; 5:00 English; 5:30 English; 6:00 English; 6:30 English; 7:00 English; 7:30 English; 8:00 English; 8:30 English; 9:00 English; 9:30 English; 10:00 English; 10:30 English; 11:00 English; 11:30 English; 12:00 English; 12:30 English; 1:00 English; 1:30 English; 2:00 English; 2:30 English; 3:00 English; 3:30 English; 4:00 English; 4:30 English; 5:00 English; 5:30 English; 6:00 English; 6:30 English; 7:00 English; 7:30 English; 8:00 English; 8:30 English; 9:00 English; 9:30 English; 10:00 English; 10:30 English; 11:00 English; 11:30 English; 12:00 English; 12:30 English; 1:00 English; 1:30 English; 2:00 English; 2:30 English; 3:00 English; 3:30 English; 4:00 English; 4:30 English; 5:00 English; 5:30 English; 6:00 English; 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Beirut's trail of blood

MASSACRES and assassinations have long been a routine method of trying to shape Lebanon's political destiny. The inspiration for such acts has as often come from Damascus. Thus yesterday's devastating attack on the headquarters of the U.S. and French contingents of the multinational force was preceded by the murders of Lebanon's premier Bashir Jemayel, and by the destruction of the U.S. embassy in Beirut.

If mass murder and assassination are almost commonplace in Lebanon, the scale of yesterday's attack — in which more than 150 American and French soldiers met their death — was horrendous.

An official commentary from Damascus a few hours after the act provided the background, even though without specifically referring to the attack itself. Syria, it said, was determined to defend its interests in the Arab world, notably in Lebanon, despite American intervention. To this purpose, it seems, a breakaway extremist faction of the Shi'ite Amal organization, allied with the Iranians now in Lebanon, was used in staging an exploit that was meant to reverberate around the world.

The main target, however, was plainly Washington. It was there, last Wednesday, that President Reagan blasted Syria for trying to destabilize Lebanon, and pledged not to remove American troops in the face of these Syrian efforts. Now Hafez Assad was apparently seeking to force Ronald Reagan's hand.

It might have seemed a relatively easy task. The despatch of the marines to Lebanon has, from the start, not been overwhelmingly popular in America, and every marine death has tended to deepen opposition to it. The president, it is true, has managed to buck the tide, and just recently he obtained authorization from the Congress to keep the marines there for another 18 months. Yesterday's massacre could, however, in the long run, make it more difficult for the president to support his policy.

This does not mean that he is about to pull the marines out. Such a move at this time would be seen as humiliation at the hands of a third-rate power like Syria. Any Syrian victory would also have to be viewed in the context of the global rivalry with the Soviet Union, which stands behind Syria.

Mr. Reagan's instantaneous reaction to the attacks in Beirut was to reiterate his determination not to give in to the Syrians in Lebanon. But this remains only one of the available options. In the long run the option of some kind of reconciliation with the Syrians, and a pullout of the marines, cannot be written off.

Either American option would have direct implications for Israel. Yet this country must not, in either case, alter the course it has charted in leaving the Shouf and redeploying along the Awali, with the clear intention of withdrawing to the international frontier.

Israel's sole legitimate interest in Lebanon lies in preventing threats from that country to its security, and that interest can be protected from within Israel's international boundary.

What's in three billion?

THREE-AND-A-HALF billion shekels is what the day-off decreed for tomorrow, municipal election day, will cost the economy. Yet the interior minister, Yosef Burg, thinks it is silly to try and pass legislation today — as could still be done — to make it a regular working day. Dr. Burg is apparently not impressed with the sum of 3.5 billion.

The Alignment is backing the move. To the Likud-led government this is precisely the reason to oppose it. The argument most often broached is that on a regular working day the Alignment would have an edge by recruiting the Histadrut's vast economic empire to bring the voters to the polls. This is, on the face of it, absurd, and it is in fact belied by the Likud's fine showing in the Histadrut's own last election, which was not a holiday.

Besides, it is claimed, the Alignment-led Histadrut held a two-hour "warning strike" a week ago to protest the government's economic policy, and did not care about the cost. Tomorrow's all-day vacation, then, is conceived as the government's revenge on the Histadrut.

The rationale for a workless election day in this country has never been very clear. Most free countries manage to practise democracy without it. The one minor reason for it is that schools are widely used as polling places. But then it is never the entire school that is used for the purpose.

In any case, to speak of tightening citizens' belts while thoughtlessly squandering three-and-a-half billion shekels is nothing but folly.

THE PROCESS that led to the collapse of the bank shares and set the stage for Yoram Aridor's departure from the Finance Ministry could be a continuing one.

Essentially, it involves the chance collision of two incompatible illusions — in the recent happenings, the undervaluation of the dollar and the overvaluation of the stock of Israel's leading financial institutions.

In quality, it was as much a statistically probable accident as a predetermined economic outcome.

Therefore, it could happen again, in another area. The stock exchange trading in bank shares is not the only rigged market in Israel. Our economy is rife with illusions, as is our political life. Where will the next collision occur?

One possibility is in the field of housing. The financial statements of the banks, given the reality-eroding consequences of prolonged and uncontrolled inflation of the value of their assets, had a fantasy quality. They should have appeared in the literary section of the newspaper, not in the financial pages.

Real estate values, by comparison, are a matter for the comic strips.

There are apartments in Jerusalem that go for the price of a Manhattan townhouse. In Tiberias,

AS AN ORDAINED Orthodox rabbi, I have been following with great interest the reports on the revolutionary resolution to be voted upon today by the Conservative Jewish Theological Seminary of America. The resolution concerns the admission of women to seminary, the rabbinical school of the Conservative movement.

As a keen follower of the American Jewish scene, both out of personal and professional interest, it seems to me that this resolution indeed presents an important and painful dilemma for Conservative Judaism, and perhaps for the future of Judaism as a whole. The formation of a new Union for Traditional Conservative Judaism which advertised itself in *The Jerusalem Post* on October 14 is a telling indicator of the impact of orthodoxy and conservative (without a capital "C") trends within world Jewry. To claim, however, as the advertisement did, that this "new" trend is

READERS' LETTERS

To the Editor of *The Jerusalem Post*: Sir, — We were stunned to read the interview with Norway's former prime minister Ovdar Nordli, "Most Norwegians favour idea of Palestinian homeland" (October 18). If he said that, it is simply not true.

We are Norwegians and know that very many people in Norway support Israel and are against a Palestinian state in Samaria and Judea. They know that it would be a deadly threat to Israel. The so-called Arab Palestinians have already got about 76 per cent of the former British ruled Palestine in Jordan and most Norwegians cannot understand why those "Palestinians" who are still without a permanent home, are not allowed to settle there.

Moreover, a big majority of Norwegians condemn the brutal and inhuman terror acts of the PLO.

WOMAN'S POSITION IN ISRAEL

To the Editor of *The Jerusalem Post*: Sir, — I refer to Yvonne Yaron's article of September 21 entitled "People of the year." I was pleased to find your newspaper enlightened enough to run this piece, but I was shocked to learn that such corrective effort was necessary.

Most people in the United States assume that Israel is very progressive on the issue of woman's place, drawing their conclusions from the fact that you set a precedent in naming a woman prime minister and from the fact that your defence forces include women. The image of the kibbutz, as an effort to create a more equitable society, also contributes to the idea that Israel is not caught in the irrational biases which afflict so much of the rest of the world.

Your article reflects an entirely traditional, even irrational pattern — a continuation of the standard division of the world into two hemispheres, with the public hemisphere assigned to men and the private one to women. And it was a shocking discovery, for I know enough about the history of Israel to know how much women contributed to its creation — entirely in the public hemisphere.

NANCY REEVES
Santa Monica, California.

The bubble syndrome

By ALLAN E. SHAPIRO

prices exceed those in the more expensive Florida residential areas.

The illusion in real estate values is a set-up for the sort of sudden confrontation with reality that occurred with the bank shares, when the public decided to liquidate and move into foreign currency.

The housing "pioneers," who have been moving across the Green Line in a search of better cash values, may have to rethink their options. What would be the fate of Ma'ale Adumim if flats there were marketed without the hand-outs that a hard-pressed treasury may be unable to provide? Suppose the circuit within the 10-minute drive from Kfar Saba had to compete with realistically priced urban housing after the bubble has burst. Let a few contractors unload to solve their problems of liquidity and we might find out.

IN THE FIELD of politics, the illusions relate to non-monetary values, while reality intrudes in the shape of colliding interests. The reaction of the Labour movement to the bank stock bail-out is a case in point. If there has been a murmur of dissent from the labour establishment, it has been indecisive.

Yet, here is a clear instance in which huge national resources are being consciously allocated to rescue one sector of society, presumably not the most needy or deserving, according to any socialist scheme of values, from the consequences of its profit-oriented behaviour.

Given the choice between saving its socialist soul or saving its beleaguered bank and related affiliates in the Histadrut economy, the Labour leadership hardly equivocated.

Tradition and change

By PINCHAS H. PELI

based on the "true ideas of the Conservative movement" is somewhat baffling to the thinking student of modern Jewish thought and history.

This claim is founded on the argument that "evolutionary change is in order, not revolutionary change." That is indeed a leading idea in Conservative Judaism, based on "tradition and change." However, it seems that the question of the status of women in the synagogue is not a sudden revolutionary issue. A

protracted evolutionary process has been at work for decades now, a process that has not passed by even Orthodox circles, whose eyes are not closed to the "evolutionary process" in regard to the place of women in Jewish religious life.

In its advertisement, the Union for Traditional Conservative Judaism states that "Jewish Law must be decided by the foremost talmudic scholars." This is both true and misleading. Who is to decide which talmudic scholars are "the

This is surely not the first time in history that a movement which calls itself socialist has sold out, but rarely could the price be so precisely calculated in dollars and cents.

IN THE operations of government, the post-Aridor period must see a new involvement in economic affairs at the highest levels of leadership. It is inconceivable that the prime minister can continue to hold himself aloof from the formulation and execution of economic policy, as was true in the Begin governments.

Shamir's account of his conversations with Aridor on the latter's dollarization scheme sounds as though it were a matter of inconsequential small-talk, outside the realm of his responsibility (almost like the one conversation with Mordechai Zippori, in which Shamir was informed that a massacre was taking place in the refugee camps of Sabra and Shatilla).

In the future, the prime minister will have to give the same attention to detail in economic affairs that, back in the old days, Shamir devoted to planning a hit. Only prime ministerial leadership can convey the sense of decisiveness that the situation demands.

WITH THE near-panic of recent weeks, it is a failure of imagination

that has kept Shamir from addressing the nation directly. The American Great Depression and the Roosevelt fireside chats come to the mind of anyone old enough to remember.

It was the president, not a cabinet secretary, who spoke to the nation. And he did so directly — not through the interrogation of a reporter, as convention seems to require on Israel television.

Another voice that should be heard is that of the president of the state. There is a good deal in the realm of economics, such as the values of work and thrift and the need for living with reality rather than illusions, that is — or at least should be — part of our national consensus.

Presidential involvement in economic affairs need not be any more partisan or controversial than the conventional presidential appeals to Diaspora youth for aliyah.

But, above all, there is need for a leadership of style, one that will remind us of the nation's heritage and call for a renewal of the faith. There were days recently when one sensed a failure not of the nation's economy, but of its nerve. There is nothing in law or reason that excludes this from presidential concern.

The writer, a political scientist, is a member of Kibbutz Degania Aleph.

foremost ones"? Are they the Council of Torah Sages of Agudat Yisrael or the chief rabbinate of Israel? The famous talmudic authorities from Bnei Brak to Boro Park, or the Talmud professors of the universities and seminaries?

And did the "foremost talmudic scholars" at any time decide on other practices in the Conservative Movement, such as "mixed pews" in the synagogue? In my view this practice presents a much more serious halachic problem than that of having women study to become teachers and preachers of Torah and spiritual leaders of Jewish communities. Should one be against this because (and this argument is used)

"Judaism sanctifies distinct roles for men and women"? One wonders what are the sources for this "sanctification" in classical Jewish tradition?

The final argument stated in the advertisement for the formation of a

separatist "Traditional" Conservative Judaism "in the spirit of Solomon Schechter" is that "Shabbat and Kashrut are basic for meaningful Jewish survival." No one would of course deny this although the question still remains: what Shabbat and what Kashrut?

What is obviously missing, however, to anyone familiar with the "spirit of Solomon Schechter" is that any formulation of basic components for Judaism today (or for that matter at any time) must include faith in God and a strong attachment to *Klal Israel* (in Schechter's language: catholic Israel) and Eretz Israel.

One wonders, therefore, where this new trend for more traditionalism in American Judaism may lead if those two factors, God and Israel, are eliminated as basic elements of "meaningful Jewish survival."

The writer is professor of Jewish thought at the Ben-Gurion University of the Negev.

NORWEGIAN SUPPORT

We love Israel!
RAGNILD OVERLAND
and six other Norwegians
Haifa.

To the Editor of *The Jerusalem Post*: Sir, — We are Norwegian tourists in Israel and were shocked and sorry to read the statements of our former prime minister, Ovdar Nordli.

We come from different parts of Norway. Some of us are young, some older, some here for a few days and others for several months. We know that we represent a lot of Norwegians and none of us support a Palestinian state.

Most Norwegians have read a little history and know that Jordan, occupying three quarters of the British Mandate, is the Palestinian state. Moreover, now that we have been in Israel and seen for ourselves the small distances here, we understand that should there be a Palesti-

nian state in this area, there would be no more Jewish state.

EVIND NAARSTAD
and 12 other Norwegian tourists
Jerusalem.

Sir, — Many Norwegians are convinced that Israel must never leave any of the areas which were rightfully given to you by the promise of God. Every inch that your soldiers paid for in blood should be kept, regardless of so-called world opinion as expressed by politicians like Mr. Nordli, who only state the policy of their political party, but do not know the hearts of their own countrymen.

SVEIN ANDERSON
and 10 other Norwegians
Netanya.

MISGUIDED IDEAS

To the Editor of *The Jerusalem Post*: Sir, — I read Yitzhak Artzi's political advertisement of October 14 with a mixture of sadness and disgust.

Under the heading "A real Liberal," Yitzhak Artzi expresses pride in his great achievement of having been instrumental in opening places of entertainment on Friday nights. The object, he maintains, is to provide opportunities for adults and youth to spend their Friday night in a cultural/social framework and to reduce disturbances and crime. Should we deduce from this that there are no disturbances or crime in Tel Aviv-Yafo, but they are rife in Bnei Brak, Bayit Vegan, etc.?

No, Mr. Artzi, the seed of crime

in Israel was planted many years ago by people with similar, misguided, liberal ideas and running anti-religious schools. Jews, when they live as Jews (except for a minority of ultra-orthodox and extremists) do not cause crime, generally speaking.

Since coming to live in Israel, I have seen parents take their children out of non-religious schools because of the lack of discipline and religious teaching. Israel will go from trouble to trouble. The Torah warns us time and time again: "Keep the Commandments and all will be well with you." If not — look around you, Mr. Artzi!

W. MALKINSON
Ra'anana.

PAULA GARBOURG

To the Editor of *The Jerusalem Post*: Sir, — I read with great interest Divora Ben Shaul's article in *Life* style of September 28, "The hole truth." As I am suffering from various ailments as mentioned in the article, I would be very much obliged if you could advise me how to get in touch with Mrs. Paula Garbourg in order to get practical help.

CILLY THEIN
Kiryat Ono.

For the many readers who requested this information, Paula Garbourg's address is Pinsker Street 17, Tel Aviv. Her phone number is 03-284408. Ed. *Life* style.

ECONOMIC TIME BOMB

To the Editor of *The Jerusalem Post*: Sir, — The scenario whereby a person sentenced to death wishes also to take his adversaries with him is not new.

The Likud government, having completely discredited itself, has now made sure, by its action of linking the overpriced bank shares to the value of the dollar and guaranteeing their eventual repayment at inflated prices, that any government which comes after it will find itself unable to take the action which may be necessary because of this enormous burden hanging round their necks.

VICTOR BLOOM
Kibbutz Amiad.

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EUROCARD WHAT ELSE

POSTSCRIPTS

PS. AUTHORITIES have cracked down on 370 "illegal millionaires," who earned money through capitalist enterprises and failed to report the income. A Warsaw newspaper reports.

The crackdown, which began early this year, is apparently in response to complaints appearing in the press over sizeable fortunes amassed by some private businessmen.

During the last two weeks of September, the mass-circulation *Cycle* (Warsaw Life)

reported, police identified 314 people earning illegal incomes.

A Warsaw factory worker was found to have eight million zlotys (\$83,333) worth of furs and leather in his apartment for alleged use in an illegal workshop he ran there, the newspaper reported.

A doctor in Lszno province, western Poland, used illegal bribes to build a luxury villa and buy two cars, the report said.

Poles often complain that they must bribe doctors and nurses to obtain decent medical care which they say is not provided by the cost-free socialized health system.

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